

SUMMONS

E-FILED 8/21/2019 11:43 AM
CC-23-2019-C-127
Logan County Circuit Clerk
Mark McGrew

IN THE CIRCUIT OF LOGAN WEST VIRGINIA
Ramaco Resources, LLC v. Federal Insurance Company

Service Type: Plaintiff - Certified Mail

NOTICE TO: Chubb INA Holdings, Inc., 436 Walnut Street, Philadelphia, PA 19106

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS. YOU OR YOUR ATTORNEY ARE REQUIRED TO FILE THE ORIGINAL OF YOUR WRITTEN ANSWER, EITHER ADMITTING OR DENYING EACH ALLEGATION IN THE COMPLAINT WITH THE CLERK OF THIS COURT. A COPY OF YOUR ANSWER MUST BE MAILED OR HAND DELIVERED BY YOU OR YOUR ATTORNEY TO THE OPPOSING PARTY'S ATTORNEY:

Rebecca Pomeroy, 209 Capitol St, Charleston, WV 25301

THE ANSWER MUST BE MAILED WITHIN 20 DAYS AFTER THIS SUMMONS AND COMPLAINT WERE DELIVERED TO YOU OR A JUDGMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE MONEY OR OTHER THINGS DEMANDED IN THE COMPLAINT.

SERVICE:

8/21/2019 11:43:08 AM

Date

/s/ Mark McGrew

Clerk

RETURN ON SERVICE:

☐ Return receipt of certified mail received in this office on _____

☐ I certify that I personally delivered a copy of the Summons and Complaint to _____

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Date

Server's Signature

EXHIBIT 1

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Logan County Circuit Clerk
Mark McGrew

S U M M O N S

IN THE CIRCUIT COURT OF LOGAN COUNTY, WEST VIRGINIA

**Ramaco Resources, LLC,
Plaintiff,**

v.

Civil Action No. _____

Judge _____

**Chubb INA Holdings, Inc.; and
Federal Insurance Company,
Defendants,**

TO DEFENDANT Chubb INA Holdings, Inc.:

**The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801**

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon plaintiff's counsel, **Nicholas S. Johnson, Michael Murphy and Rebecca Pomeroy, Bailey & Glasser, LLP, 1055 Thomas Jefferson Street, NW, Suite 540, Washington, DC 20007**, an Answer you may have to the Complaint filed against you in the above-styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within twenty (20) days after service of this summons upon you, exclusive of the date of service. If you fail to do so, judgment by default will be taken for the relief demanded in the Complaint and you will thereafter be barred from asserting in another action any claim you may have which may be asserted in the above-styled action.

DATED:

CLERK OF COURT:

SUMMONS

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IN THE CIRCUIT OF LOGAN WEST VIRGINIA
Ramaco Resources, LLC v. Federal Insurance Company

Service Type: Plaintiff - Certified Mail

NOTICE TO: Federal Insurance Company, 251 North Illinois, Suite 1100, Indianapolis, IN 46204

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS. YOU OR YOUR ATTORNEY ARE REQUIRED TO FILE THE ORIGINAL OF YOUR WRITTEN ANSWER, EITHER ADMITTING OR DENYING EACH ALLEGATION IN THE COMPLAINT WITH THE CLERK OF THIS COURT. A COPY OF YOUR ANSWER MUST BE MAILED OR HAND DELIVERED BY YOU OR YOUR ATTORNEY TO THE OPPOSING PARTY'S ATTORNEY:

Rebecca Pomeroy, 209 Capitol St, Charleston, WV 25301

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S U M M O N S

IN THE CIRCUIT COURT OF LOGAN COUNTY, WEST VIRGINIA

**Ramaco Resources, LLC,
Plaintiff,**

v.

Civil Action No. _____

Judge _____

**Chubb INA Holdings, Inc.; and
Federal Insurance Company,
Defendants,**

TO DEFENDANT Federal Insurance Company:

**C T Corporation System
5400 D Big Tyler Road
Charleston, WV 25313**

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon plaintiff's counsel, **Nicholas S. Johnson, Michael Murphy and Rebecca Pomeroy, Bailey & Glasser, LLP, 1055 Thomas Jefferson Street, NW, Suite 540, Washington, DC 20007**, an Answer you may have to the Complaint filed against you in the above-styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within twenty (20) days after service of this summons upon you, exclusive of the date of service. If you fail to do so, judgment by default will be taken for the relief demanded in the Complaint and you will thereafter be barred from asserting in another action any claim you may have which may be asserted in the above-styled action.

DATED:

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Logan County Circuit Clerk
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IN THE CIRCUIT COURT OF LOGAN COUNTY, WEST VIRGINIA

RAMACO RESOURCES, LLC,

Plaintiff,

Civil Action No. _____

v.

JURY TRIAL REQUESTED

**CHUBB INA HOLDINGS, INC., and
FEDERAL INSURANCE
COMPANY,**

Defendants

COMPLAINT

Plaintiff Ramaco Resources, LLC ("Ramaco"), by and through counsel, brings this action against Defendants Chubb INA Holdings, Inc., and Federal Insurance Company and alleges for its complaint as follows:

NATURE OF ACTION & RELIEF SOUGHT

1. Defendants wrote an insurance policy to Ramaco in which they specifically promised to pay for direct physical loss or damage to a building (including debris removal costs) caused by any peril not otherwise excluded. Defendants also promised to pay Ramaco for its business income lost and extra expenses incurred as a result of direct physical loss or damage to property by any peril not otherwise excluded. At bottom, as alleged herein, defendants have breached their contract with Ramaco and done so in bad faith.
2. In simple terms, if a building that is crucial to Ramaco's ongoing operations collapses causing a material disruption to Ramaco's business, Defendants are supposed to make Ramaco whole. That was the was the entire point

of buying insurance. And, Defendants gladly accepted the hefty premium payments from Ramaco.

3. On November 5, 2018, Ramaco's Silo No. 1 collapsed, but now, after months of delay and essentially sham negotiations, Defendants have said they won't pay a dime, relying on an apparent pre-baked scheme to deny using a laundry list of inapplicable exclusions.

4. Accordingly, pursuant to the West Virginia Uniform Declaratory Judgments Act, W.Va. Code §55-13-1, *et seq.* and Rule 57 of the West Virginia Rules of Civil Procedure, Ramaco seeks a declaration that Defendants breached a Mining Industries Insurance Coverage policy numbered 37115564 ("Policy") issued to Ramaco.

5. Ramaco seeks damages resulting from Defendants' breach of their contractual obligations under the policy including, but not limited to, damages related to the collapse of Silo No. 1, the lost business income, and the extra expense incurred.

6. Plaintiff Ramaco also seeks actual and punitive damages, as well as attorneys' fees, as Defendants breached the policy's implied covenant of good faith and fair dealing, as well as the statutory provisions of the Unfair Trade Practices Act, W. Va. Code §33-11-4, by engaging in post-claim underwriting and otherwise unreasonably and repeatedly refusing, without justification, to provide coverage for the damage to Silo No. 1.

JURISDICTION & VENUE

7. Pursuant to the West Virginia Uniform Declaratory Judgments Act, W. Va. Code § 55-13-1, *et seq.* and Rule 57 of the West Virginia Rules of Civil Procedure, this Court has jurisdiction to determine questions of actual controversy between the parties to this action.

8. During all times relevant to these proceedings, Defendants Chubb and Federal transacted business in Logan County, West Virginia, including the sale of insurance policies and insuring of risks throughout the State of West Virginia. Additionally, Chubb directed its claim correspondence, including its denial letters, to Ramaco in West Virginia, and it dispatched its engineers to conduct (albeit pretextual) site inspections in West Virginia. Venue thus properly lies in the Circuit Court of Logan County, West Virginia. *See* W. Va. Code §§ 56-1-1; 47-18-15.

9. Moreover, the property damage and related events giving rise to this case and Ramaco's damages occurred in Logan County, West Virginia.

PARTIES

10. Plaintiff Ramaco Resources, LLC ("Ramaco") is a Delaware limited liability company with its principal place of business in Lexington, Kentucky. Its sole member is Ramaco Development, LLC, whose sole member is Ramaco Resources, Inc., a Delaware corporation with its principal place of business in Lexington, Kentucky.

11. Ramaco owns and operates mines and a preparation plant at the Elk Creek Mining and Preparation Complex ("Elk Creek") located in Verner, West

Virginia. Verner is an unincorporated community located within the boundaries of Logan County, West Virginia.

12. Defendant Chubb INA Holdings Inc. ("Chubb INA") is a Delaware corporation with its principal place of business located at 436 Walnut Street Philadelphia, Pennsylvania 19106. Upon information and belief, Chubb was formerly known as ACE INA Holdings, Inc.

13. Upon information and belief, Chubb INA markets and holds itself out as the "Chubb Group of Insurance Companies." And, indeed, the insuring agreement in this case lists "Chubb Group of Insurance Companies" at the top of each of its pages.

14. The Chubb Group of Companies (which is how Chubb INA markets and holds itself out to the marketplace) regularly offer insurance in West Virginia. In fact, by going to www.chubb.com and searching for an agent within 100 miles of Logan, WV, the Chubb website lists at least 11 agencies that can sell Chubb products.

15. If Ramaco suffers a loss, the Policy directs it to submit a notice of claim to: "Chubb Group of Insurance Companies."

16. Each claim correspondence in this case came on Chubb letterhead, with the return address for the Chubb Group of Insurance Companies:

CHUBB	Eastern Claim Service Center 600 Independence Parkway Chesapeake, VA 23337 O (800) 233-4670 F (800) 664-3338	Mailing Address P.O. Box 4700 Chesapeake, VA 23327-4700
January 18, 2019		
Ramaco Resources, Inc. P.O. Box 8006 South Charleston, WV 25303-0006		
Re:	Insured Name:	Ramaco Resources, Inc.
	Policy Number:	000037115564 / 000001
	Claim Ref. Number:	047518038923
	Date of Loss:	11/05/2018
	Writing Company:	Federal Insurance Company

17. The (albeit pretextual) engineering report is addressed to “Chubb Insurance Company.”

18. The Policy is signed by Paul J. Krump, President. Mr. Krump is not President of Federal, but instead is believed to be President of Chubb INA. See Chubb, Chubb Executive Group, Paul J. Krump, *available at* <https://www.chubb.com/us-en/about-chubb/paul-j-krump.aspx>.

19. Accordingly, Chubb INA—due to its actions directed at Ramaco in West Virginia—assumed responsibility for the shoddy claim investigation, post-claim underwriting, and improper coverage decisions and the liabilities associated therewith, alongside Federal.

20. In essence, Chubb INA’s improper and bad faith claim investigation and denial constitute a tort committed in West Virginia.

21. Defendant Federal Insurance Company is an Indiana corporation with its principal place of business located at 15 Mountain View Road, Warren, New

Jersey 07059. Based on plaintiff's investigation, it is believed that Federal is a direct subsidiary of Chubb INA Holdings Inc.

22. Federal is licensed to do business in West Virginia by the Secretary of State, and it is approved to place insurance in this state by the West Virginia Office of the Insurance Commissioner. It regularly writes insurance to West Virginia businesses, including the Policy to Ramaco.

23. Defendants Chubb and Federal are collectively referred to herein as Chubb.

FACTS COMMON TO ALL COUNTS

Insurance policy

24. Beginning in 2012, at a time when other coal mining companies were laying off workers, terminating benefits and pensions, and shuttering operations, Ramaco began investing in, rebuilding, and restarting the mining facilities at Elk Creek. The investment has blossomed into a productive and profitable mining operation along Elk Creek, employing nearly 300 workers, generating tax revenue for Logan County and West Virginia, and producing profits for its shareholders.

25. In order to protect its investment, Ramaco purchased insurance.

26. On or about July 17, 2018, Federal issued to Ramaco a Mining Industries Insurance Coverage policy numbered 37115564, a copy of which is attached hereto as Exhibit A.

27. The Policy was in full force and effect for the period from July 1, 2018 to July 1, 2019. The Policy was renewed for a three-month period and remains in full force and effect until October 1, 2019.

28. Among other things, the Policy expressly denotes the “ELK CREEK RAW COAL SILOS” at Elk Creek in Verner, West Virginia as covered premises as shown in this excerpt:

PREMISES #4	WV RT 80	BLDG # 1
	VERNER, WEST VIRGINIA 25650	
DESC: ELK CREEK RAW COAL SILOS		

29. The Policy provides coverage for “direct physical loss or damage to: building; or personal property, caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Building Or Personal Property shown in the Declarations.”

30. The Policy also provides, among other things, coverage for “Loss Prevention Expenses” and “Debris Removal.”

31. The Policy also requires Chubb to pay for business income lost and extra expense incurred as a result of a direct physical loss or damage to property (such as a silo collapse).

32. On July 1, 2019, Chubb issued a public press release stating that it “has adopted a new policy concerning coal-related underwriting and investment. With the new policy, the company will no longer underwrite the construction and operation of new coal-fired plants or new risks for companies that generate more than 30% of their revenues from coal mining or energy production from coal.

Insurance coverage for existing coal-plant risks that exceed this threshold will be phased out by 2022, and for utilities beginning in 2022. In addition, Chubb will not make new debt or equity investments in companies that generate more than 30% of revenues from thermal coal mining or energy production from coal.” See Chubb News Releases, Chubb Announces New Policy on Coal Underwriting and Investment (July 1, 2019), <http://news.chubb.com/2019-07-01-Chubb-Announces-New-Policy-on-Coal-Underwriting-and-Investment>.

33. Thus, all of the events described herein fall against a backdrop of Chubb in the midst of a full retreat from providing insurance to operators in the coal industry.

Damage to Silo No. 1

34. On November 5, 2018, at approximately 12:30 p.m., the suspended conical hopper inside of Silo No. 1 collapsed and fell to the ground damaging Silo No. 1 to the extent that it was later necessary to tear it down.

35. Raw coal silos are used to store raw coal prior to it being transported via conveyor to the coal processing plant so it can be separated and cleaned. Prior to the incident described herein, Ramaco maintained and operated three raw coal silos. Although the three silos are separate structures, they are tied together by a common conveyor system that transports the raw to the processing building.

36. Ramaco estimates that approximately 800 tons of raw coal was present inside Silo No. 1 at the time of the collapse.

37. On November 5, 2018, Ramaco timely submitted its notice of claim which was assigned claim number 047518038923 ("Claim") for the losses associated with the collapse of Silo No. 1.

38. At the direction of Ramaco, Silo No. 1 was inspected by Hungate Engineering, P.C. ("Hungate"). Hungate's November 7, 2018 report stated that it believed that "the cone of one of the concrete silos appeared to have failed at the point of connection to the silo."

39. Hungate further noted that "[b]ased on the significant damage to the silo observed during the site visit it is recommended that the damaged silo be demolished. Due to the proximity of the damaged silo to the other plant facilities, including the other silos, it is recommended that the demolition of the damaged silo be performed by an experienced demolition contractor."

40. Hungate also said, "[i]f Ramaco decides to continue operating the two (2) undamaged silos it is recommended that the lower cone section of the remaining silos be supported underneath by a structural steel support cradle with columns extending down to the ground[.]"

41. Because of the nature of the conveyor system, and the location of Silo No. 1 which was closest to the adjacent train tracks, Ramaco took the necessary steps to demolish Silo No. 1 in an effort to keep the Elk Creek facility operational and to mitigate any potential losses related to the business interruption caused by the damage to Silo No. 1. The demolition of Silo No. 1, which began on November 9,

2018 and was completed on or before November 19, 2018, caused Ramaco to incur costs that Chubb should have paid under the Policy.

42. The demolition of Silo No. 1 immediately and materially reduced Ramaco's capacity to store raw coal at the Elk Creek facility. Because of the lack of storage space, Ramaco's mining operations became materially impaired, causing further losses that Chubb should have paid under the Policy. These losses include but are not limited to business income and extra expense.

43. After the demolition of Silo No. 1 was completed on November 19, 2019, Ramaco installed a temporary conveyor system in order to ensure it was mitigating the losses associated with the business interruption caused by the collapse of Silo No. 1. The temporary conveyor system was completed and put into service on or about November 30, 2018.

44. The temporary conveyor system allowed Elk Creek to continue to operate on a limited basis but without use of the remaining silos. Through June 30, 2019, Ramaco has incurred significant expenses related to the configuration and operation of the temporary conveyor system, which Chubb agreed to pay in the Policy.

45. As part of its continuing effort to achieve a permanent fix to the conveyor system, and as part of its continuing attempts to mitigate the damages resulting from the collapse of Silo No. 1, Ramaco has also incurred significant expenses constructing a permanent conveyor system in order to make the two remaining silos operable, which Chubb agreed to pay in the Policy.

46. On or about February 28, 2019, Ramaco's permanent conveyor system was put into service, allowing for the plant to run with additional capacity, but still hampered by its inability to use the two remaining silos.

47. As of August 1, 2019, both remaining silos were fully commissioned and put back into full service.

Chubb's outright denial of Ramaco's insurance claim

48. On November 12, 2018, Chubb sent an acknowledgement of Ramaco's "notice of claim for property loss sustained at the insured premises as a result of the damaged silo."

49. Essentially pre-determining that it was not going to cover the claim, Chubb began grasping for exclusions, stating among other things, that "[t]o the extent any loss sustained at the insured property were (sic) caused by wear and tear and planning design, materials or maintenance are (sic) not covered under the terms and provisions of your Policy."

50. Chubb sent this letter citing policy exclusions before investigating the first thing about the silo collapse.

51. Instead, Chubb began conducting what is known as "post-claim underwriting," which is essentially performing an investigation of the risks *after* a loss has occurred.

52. An insurer has an obligation to its insureds to do its underwriting at the time a policy application is made, not after a claim is filed.

53. Chubb did no inspections or investigations of the Elk Creek raw coal silos *before* issuing the Policy. It did not ask Ramaco to provide any documentation related to the silos or their condition *before* issuing the Policy.

54. Chubb accepted insurance premiums from Ramaco in the amount of \$261,090.33 for the period from July 1, 2018 through July 1, 2019, and in the amount of \$60,049.00 for the three-month extension running from July 1, 2019 through October 1, 2019.

55. It is patently unfair for a business to obtain a policy, pay its premiums and operate under the assumption that it is insured against a specified risk, only to learn *after* it submits a claim that it is *not* insured, and, therefore, cannot obtain any other policy to cover the loss.

56. The insurer controls when the underwriting occurs.

57. As noted, Chubb did no investigations or inspections of the coal silos before writing the Policy, instead, it hired guns after the fact to find a way to deny coverage.

58. In fact, on January 18, 2019, making official what seemed preordained in light of the November 12, 2018 acknowledgement, Chubb sent Ramaco a letter stating that “Federal has determined there is no coverage available for your loss.”

59. Chubb’s denial letter was accompanied by what amounted to a post-claim underwriting report by WJE, Inc., an engineering firm.

60. Among other things, the January 18 letter stated: “As outlined above, the applicable coverage forms exclude damage caused by rust, faulty, inadequate or

defective planning, design or specifications, and wear and tear. Rust and wear, tear and deterioration were not the result of a specified peril. Please note that the policy limits ensuing damages to the list of specified perils.”

61. A major problem with Chubb’s unquestioned reliance on the WJE report, however, is that the report is rooted in a fundamental misapprehension of the relevant facts and takes great pains to avoid the likely causes of Silo No. 1’s failure and chose instead to focus on reasons it could shoehorn into the Policy’s exclusions. For example, Chubb ignores that the most likely cause of the collapse at Silo No. 1 was the failure of the welded joint that attached to the embedded plate in the concrete silo wall (a place where the risk of corrosion is minimal), and instead focuses on almost exclusively on rust as the cause.

62. Moreover, Chubb even argues that “[i]t is even possible that although the silos were empty, the notch may have remained full of coal accumulation [from 1996 to 2017]. Resumption of operations in 2017 again exposed the hopper connection area to the corrosive effects of moisture and low sulfur coal.” While this is not really at all what happened, Chubb should have discovered this had it made a reasonable investigation prior to writing the Policy.

Ramaco challenged Chubb’s pretextual denial of its insurance claim

63. On February 1, 2019, Ramaco responded to and contested Chubb’s outright denial of its insurance claim.

64. In its contest letter, Ramaco made clear that it believed Chubb's denial "may be the result of some basic factual misunderstandings on your part." Ramaco noted it was "determined to obtain a fair resolution of our claim."

65. In challenging Chubb's denial, based on Ramaco's investigation and analysis of the failure of Silo No. 1, it stated:

- a. "We have been working with a number of industry experts to determine the most likely cause of failure and to engineer a preventative fix to the two remaining silos. The leading and most logical cause of failure is a failure to a welded joint that attached to the embedded plate in the concrete silo wall."
- b. "[A]ccording to industry experts, the failed silo, as well as the others adjacent to it and still others throughout the region, has an expected working life of well over 50 years. There is simply no reason to expect 'rust, wear and tear or deterioration' to have caused this failure."
- c. "It is interesting that the [WJE] report focused more on unlikely causes versus the most likely cause. We take exception to the unfounded assertion that corrosion could be responsible for the collapse."
- d. "There is no focus on addressing a corrosion issue, nor based on our review and the opinion of our experts and design engineers should there be. In fact, our additional efforts for our remaining

two silos will not involve any metal replacement. Rust or corrosion was not a contributor to the silo failure.”

66. On February 20, 2019, WJE submitted a second report to Chubb claiming that in its January 18 report WJE provided a “definitive conclusion that the failure [of Silo No. 1] was the result of corrosion.” WJE’s second attempt was simply more of the same deflection and obfuscation contained in its previous analysis.

67. For example, WJE’s February 20 report, despite having the speculative nature of its previously-stated reasons called out, stated: “our [January 18] report provides a definitive conclusion that the failure was the result of corrosion. Because corrosion was evident at the embedded plate, the top edge of the hopper and at the connecting weld between the two, without laboratory evaluation it was not clear at which of these areas the failure initiated.”

68. In other words, even WJE’s post-claim underwriting attempt cannot definitively state the cause of the collapse.

69. After many failed attempts by Ramaco to meet and work out a resolution to the impasse, Chubb stiff-armed once again.

70. On August 12, 2019, Chubb verbally reiterated its prior position and denied Ramaco’s claim on Silo No. 1 in its entirety – offering nothing to resolve the claim. At the time of this filing, Ramaco has yet to receive Chubb’s further written notification further confirm its denial of Ramaco’s claim.

71. Based upon Ramaco's investigation, it is aware of no other insurance policy that would cover the damage that occurred at Silo No. 1.

72. Ramaco has substantially complied with all its duties as the insured under the Policy.

73. As its investigation is ongoing, Ramaco reserves the right to amend this Complaint to state the true nature and extent of its damages when ascertained or at time of trial.

**COUNT I:
DECLARATORY JUDGMENT**

74. Plaintiff re-alleges, as if fully set forth herein, each and every prior allegation contained in paragraphs 1 to 73 contained above, and further alleges the following against Defendants.

75. This is an action for declaratory judgment under Rule 57 of the West Virginia Rules of Civil Procedure and W.V. Code § 55-13-1, *et seq.*

76. An actual case and controversy exists between the parties that may be adjudicated by this Court concerning their respective rights and duties under the Policy.

77. Ramaco respectfully requests that this Court determine the rights, duties, obligations, remedies, and other legal relations between the parties.

78. Ramaco seeks a judicial declaration that Ramaco is (a) entitled to reimbursement of all amounts owed to it under the Policy and that (b) Chubb has a continuing duty to reimburse Ramaco for any and all additional covered amounts resulting from the collapse of Silo No. 1 and the aftermath.

79. As its investigation is ongoing, Ramaco reserves the right to amend this Complaint to state the true nature and extent of its damages when ascertained or at time of hearing.

**COUNT II:
BREACH OF CONTRACT**

80. Plaintiff re-alleges, as if fully set forth herein, each and every prior allegation contained in paragraphs 1 to 73 contained above, and further alleges the following against Defendants.

81. There exists a valid and enforceable contract between Ramaco and Chubb by virtue of the terms of the Policy. By virtue of the conduct described herein, Chubb has breached the Policy with Ramaco by failing to reimburse Ramaco for the covered amounts under the Policy.

82. As a direct and proximate result of Chubb's breach of contract, Ramaco has been damaged as a result thereof, and is entitled to any and all available damages including but not limited to interest, attorneys' fees and costs, administrative costs and expenses, and other damages or relief that this Court deems appropriate.

83. As its investigation is ongoing, Ramaco reserves the right to amend this Complaint to state the true nature and extent of its damages when ascertained or at time of trial.

**COUNT III:
DEFENDANT'S BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING**

84. Plaintiff re-alleges, as if fully set forth herein, each and every prior allegation contained in paragraphs 1 to 73 contained above, and further alleges the following against Defendants.

85. Under the Policy, Defendants had an implied covenant of good faith and fair dealing in its contractual relationship with Plaintiff Ramaco to (i) investigate claims objectively and reasonably, (ii) pay claims that are covered by the Policy, and (iii) honor the terms of their contract.

86. The collapse of Silo No. 1 is clearly a covered peril under the Policy.

87. Defendants have taken erroneous and unreasonable coverage positions, has acted in bad faith, and has breached its duty to good faith and fair dealing by:

- (a) Repudiating, without any reasonable basis, its Policy obligations that mandate it pay for claims covered by the Policy;
- (b) Failing to reasonably and objectively investigate the damage to Silo No. 1, in violation of accepted insurance practices, statutory requirements, and the common law duties owed to Plaintiff, Ramaco;
- (c) Engaging in conduct calculated to further its own economic interest at the expense of Plaintiff, Ramaco;
- (d) Failing to fully reimburse Plaintiff Ramaco for the value of the property damage and loss related to the failure Silo No. 1;

- (e) Forcing Plaintiff, Ramaco to litigate this action to obtain the full benefits of the Policy sold to it by Defendants; and
- (f) engaging in improper post-claim underwriting in an effort to find an exclusion from coverage that it could easily have found had it conducted a reasonable investigation before writing the Policy.

88. Each of these breaches were flagrant, willful, and wanton, and were undertaken to protect Defendant's own pecuniary interests without regard to its obligations under the Policy or the interests of Plaintiff, Ramaco.

89. As a result of these breaches, Defendants are liable to Plaintiff, Ramaco for compensatory damages, as well as for attorneys' fees and punitive damages in an amount to be determined by a jury.

**COUNT V:
DEFENDANTS' VIOLATION OF THE WEST VIRGINIA
UNFAIR TRADE PRACTICES ACT (W. VA. CODE § 33-11-4)**

90. Plaintiff re-alleges, as if fully set forth herein, each and every prior allegation contained in paragraphs 1 to 73 contained above, and further alleges the following against Defendants.

91. In committing unfair trade practices with such frequency as to indicate general business practices, Defendants have violated W. Va. Code § 33-11-4 by:

- (a) misrepresenting pertinent facts or provisions of the Policy relating to coverage;
- (b) failing to acknowledge and act on communications with respect to claims arising under the Policy;

- (c) denying Ramaco's Claim without conducting a reasonable investigation based on all available information;
- (d) failing to attempt in good faith to make a reasonable offer to compensate Ramaco for the loss of its property;
- (e) failing to provide a reasonable explanation for the claim denial based on the Policy and its relationship to the facts and applicable law; and
- (f) engaging in improper post-claim underwriting in an effort to find an exclusion from coverage that it could easily have found had it conducted a reasonable investigation before writing the Policy.

92. Defendants' unfair claim practices were flagrant, willful, and wanton, and were undertaken to protect Defendants' own pecuniary interests, without regard to its obligation under the Policy or the interests of Ramaco.

93. As a direct and proximate result of its unfair claim practices, Defendants are liable to Ramaco for compensatory damages, as well as for punitive damages in an amount to be determined by a jury.

WHEREFORE, Plaintiff Ramaco respectfully requests this Honorable Court grant the following relief:

(A) Order a speedy hearing of this declaratory judgment under Rule 57 of the West Virginia Rules of Civil Procedure;

(B) Declare the parties' rights, duties, and obligations under the terms of the Policy at issue, including but not limited to the following:

(1) That Chubb has a duty to pay plaintiff Ramaco for all unreimbursed amounts, plus interest, it has paid in reasonable and necessary expenses to demolish Silo No. 1 after it collapsed as described herein; and

(2) That Chubb has a duty to reimburse plaintiff Ramaco for any and all additional specific and consequential damages resulting from the collapse and subsequent demolition of Silo No. 1.

(C) Find Chubb in breach of the terms of the Policy and award Ramaco damages, including but not limited to, interest, attorneys' fees and costs, administrative costs and expenses, and other damages or relief that this Court deems appropriate.

(D) A finding that Defendants breached their implied covenant of good faith and fair dealing by acting unreasonable and in bad faith towards plaintiff Ramaco.

(E) A finding that Defendants violated the West Virginia Unfair Trade Practices Act, W. Va. Code § 33-11-4.

(F) An award such further damages, fees, costs, expenses, and punitive damages for Defendants flagrant, willful, wanton and intentional conduct.

(G) The legal fees and costs incurred in the pursuit of this action to enforce its rights under the Policy.

(H) All interest, pre and post, permitted by law.

(I) All other relief as the Court deems just and proper under the circumstances described herein.

JURY DEMAND

Plaintiff Ramaco demands a trial by jury of all issue so triable under Rule 38 of the West Virginia Rules of Civil Procedure.

Dated: August 21, 2019

Respectfully submitted,

/s/ Rebecca Pomeroy

Brian A. Glasser (WVSB # 6597)
Rebecca Pomeroy (WVSB # 8800)
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E-FILED | 8/21/2019 11:43 AM
CC-23-2019-G-127
Logan County Circuit Clerk
Mark McGrew

EXHIBIT A

CHUBB®

IMPORTANT NOTICE – CERTAIN WATER PERILS

The West Virginia Insurance Department has requested that we advise our policyholders that this policy contains language that may limit or exclude flood, surface water, waves, tidal water, or any other overflow of a body of water for all or some of your insured locations.

Please read your policy carefully and be advised that, to the extent your policy excludes these perils, you will have no coverage under this policy. You may request flood coverage from your insurance agent or from the National Flood Insurance Program (NFIP) at 1-800-638-6620.

This Notice does not expand or increase coverage in this or any policy. This policy and accompanying endorsements remain subject to all exclusions, limitations and conditions.

CHUBB®**Mining Industries Insurance Coverage****Premium Bill**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

Portion of total premium attributable for terrorism and statutory standard fire where applicable
is \$ 294.00

PLEASE SEND PAYMENT TO AGENT OR BROKER.

RENEWAL

<i>Date Payment Due</i>	<i>Premium</i>
JULY 1, 2018	\$ 66,049.08
OCTOBER 1, 2018	\$ 65,013.75
JANUARY 1, 2019	\$ 65,013.75
APRIL 1, 2019	\$ 65,013.75
TOTAL	\$ 261,090.33

WHEN SENDING PAYMENT, PLEASE INDICATE POLICY NUMBER ON YOUR CHECK.

NOTE: PLEASE RETURN THIS BILL WITH PAYMENT AND INCLUDE ANY ADDITIONAL CHANGES.

KENTUCKY SURCHARGE	\$ 5.27
WV SURCHARGE	\$ 999.28
MACHINERY BREAKDOWN TAXES AND SURCHARGES	\$ 30.78

Producer:

USI INSURANCE SERVICES LLC
 220 LEXINGTON GREEN #410
 LEXINGTON, KY 40503-3336



IMPORTANT NOTICE TO POLICYHOLDERS TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- *provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.*
- *is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.*

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CHUBB®

IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

CHUBB®

POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

CHUBB®

Important Notice To Policyholders

**THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING
NEW YORK CITY LOCATIONS REQUIRING JURISDICTIONAL
INSPECTIONS**

PLEASE READ THIS NOTICE CAREFULLY

***New York City
Department Of
Buildings – Building
Owner Registration
Requirement To
Prevent Jurisdictional
Inspection Fines***

This Notice is intended to inform you that the New York City Department of Buildings requires building owners to register in the city's NOW Safety System. Required jurisdictional inspections can not be filed until this registration process has been completed and the email address of the building registrant has been provided to Chubb. Failure to complete registration and provide Chubb with this information will result in our inability to file inspections and can lead to missed inspection fines of \$1,000 or more per object which will be your responsibility.

CHUBB®

Mining Industries Insurance Coverage

FOR

RAMACO RESOURCES, INC.

Producer:

**USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336
Attn: PETE GIBSON**

Chubb Servicing Office:

**PITTSBURGH
FIFTH AVENUE PLACE
120 FIFTH AVENUE
PITTSBURGH, PA 15222-3008
Attn: ROBERT TARPEY**

CHUBB®

Mining Industries Insurance Coverage

How To Report A Loss

To report a Loss, use the following procedure.

Loss Notification

If an **Insured Person** has a **Loss**, please contact us by telephone as soon as possible for further assistance:

Telephone Number: 1-800-252-4670

24 hours a day, 7 days a week

Fax Number

You may also fax the loss report during normal business hours to:

Fax Number: 1-800-300-2538

Mailing Address

You may mail your loss report to the following address:

Chubb Group Of Insurance Companies
Claim Service Center
600 Independence Parkway
P.O. Box 4700
Chesapeake, Va. 23327-4700

CHUBB®

Mining Industries Insurance Coverage

Table Of Contents

This Table Of Contents is provided to acquaint you with the overall organization of this policy.

POLICY ORGANIZATION

Insuring Agreement

Premium Summary

Property Insurance Section

Property Schedule Of Forms & Declarations

Property Contracts *

Property Endorsements

Liability Insurance Section

Liability Schedule Of Forms & Declarations

Liability Contracts *

Liability Endorsements

Common Policy Section

Common Policy Conditions

Common Policy Endorsements

* Note: Each contract within a section has its own Table Of Contents to facilitate your use of them.

CHUBB®

Insuring Agreement

Named Insured and Mailing Address

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

***Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889***

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

***Issued by the stock insurance company
indicated below, herein called the company.***

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

***Incorporated under the laws of
INDIANA***

Company and Policy Period

Insurance is issued by the company in consideration of payment of the required premium.

This policy is issued for the period 12:01 AM standard time at the Named Insured's mailing address shown above:

From: JULY 1, 2018

To: JULY 1, 2019

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

This Insuring Agreement together with the Premium Summary, Schedule Of Forms, Declarations, Contracts, Endorsements and Common Policy Conditions comprise this policy.

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

President

Secretary

Authorized Representative

CHUBB®**Mining Industries Insurance Coverage****Premium Summary****Named Insured and Mailing Address**

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

*Incorporated under the laws of
INDIANA*

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Policy Period

From: JULY 1, 2018 **To:** JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium Payment

The First Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

Premium Audit

Certain classifications within our rates and rules indicate that premiums calculated therefrom can be significantly affected by large increases or decreases in your business results. Based upon our underwriting review of information provided by you, we may at our discretion perform a premium audit. You may also request such an audit.

If an audit is conducted and additional premiums are due, they are payable upon notice to the First Named Insured. If as a result of an audit the premium paid is greater than the earned premium, we will return the excess to the First Named Insured. The First Named Insured must keep records of the information we need to perform the audit and send us copies at such times as we may request.

Coverage**Rate****Premium**

PROPERTY INSURANCE SECTION

\$ 120,372

LIABILITY INSURANCE SECTION

\$ 139,683

Issue Date: JULY 17, 2018

continued

CHUBB®**Premium Summary**
(continued)**TOTAL** **\$ 260,055****RENEWAL**

If ATD coverage is provided on this policy, additional certificate and handling fees may be imposed during the policy term.

Coverage Premium

Additional certificate and handling fees may be imposed as respects to certification of pressure equipment as mandated by State and/or local jurisdictional authorities.

Payment Plan

This policy premium is being billed as follows. The amounts shown are due and payable as of the dates shown below:

<u>Date Payment Due</u>	<u>Amount Due</u>
JULY 1, 2018	\$ 66,049.08
OCTOBER 1, 2018	\$ 65,013.75
JANUARY 1, 2019	\$ 65,013.75
APRIL 1, 2019	\$ 65,013.75
KENTUCKY SURCHARGE	\$ 5.27
WV SURCHARGE	\$ 999.28
MACHINERY BREAKDOWN TAXES AND SURCHARGES	\$ 30.78
MINE SUBSIDENCE PREMIUMS ARE NOT ADDITIONAL CHARGES AND ARE SHOWN HERE FOR INFORMATIONAL PURPOSES ONLY.	
WEST VIRGINIA MINE SUBSIDENCE PREMIUM	\$ 288.00

CHUBB®**Property Insurance****Schedule of Forms**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

The following is a schedule of forms issued as of the date shown above:

Form Number	Edition Date	Form Name	Effective Date	Date Issued
42-02-1611	1-15	SUPPLEMENTARY DECLARATIONS PROPERTY (\$250K)	07/01/18	07/17/18
42-02-1612	4-10	SUPPLEMENTARY DECL BUSINESS INCOME (\$100K)	07/01/18	07/17/18
42-02-1633	4-10	BOILER AND MACHINERY COVERAGE	07/01/18	07/17/18
42-02-1798	4-10	ADDTL PERIL - FLOOD LMT/DED OR WAITING PER	07/01/18	07/17/18
42-02-2422	4-10	MINING PROPERTY EXTENSION	07/01/18	07/17/18
42-02-2469	4-10	NATURAL RESOURCES PREMISES COVERAGE ADDED	07/01/18	07/17/18
80-02-0280	7-03	SCHEDULE OF MORTGAGEES/LOSS PAYEES	07/01/18	07/17/18
80-02-0315	1-15	SUPP DEC-IMPAIRMENT OF COMP SERVICES	07/01/18	07/17/18
80-02-0005	1-18	PROPERTY DECLARATIONS	07/01/18	07/17/18
80-02-1000	6-05	BUILDING AND PERSONAL PROPERTY	07/01/18	07/17/18
80-02-1004	7-03	BUSINESS INCOME WITH EXTRA EXPENSE	07/01/18	07/17/18
80-02-1017	7-03	ELECTRONIC DATA PROCESSING PROPERTY	07/01/18	07/17/18
80-02-1018	7-03	EXTRA EXPENSE	07/01/18	07/17/18
80-02-1048	7-03	ACCTS REC, FINE ARTS, MONEY & SEC, VAL PAPERS	07/01/18	07/17/18
80-02-1095	7-03	IMPAIRMENT OF COMPUTER SERVICES-MALICIOUS PGM	07/01/18	07/17/18
80-02-1097	6-05	PROPERTY/BI CONDITIONS & DEFINITIONS	07/01/18	07/17/18
80-02-1313	1-16	ADDITIONAL EXCLUSIONS	07/01/18	07/17/18
80-02-1644	5-04	ELECTRONIC DATA AND PERIL CHANGES	07/01/18	07/17/18
80-02-1660	1-15	EXCL. OF CERTIFIED ACTS-INCL. ENSUING FIRE	07/01/18	07/17/18
80-02-1864	1-03	WEST VIRGINIA MANDATORY	07/01/18	07/17/18
80-02-5184	4-05	VALUED POLICIES	07/01/18	07/17/18
80-02-5250	6-08	ORD OR LAW & EXISTING GREEN STANDARDS LPB	07/01/18	07/17/18
80-02-5355	1-15	SPECIAL WAITING PERIOD PROVISION ADDED	07/01/18	07/17/18
80-02-5357	1-15	ADDITIONAL COVG ADDED - PROHIBITION OF ACCESS	07/01/18	07/17/18
80-02-5378	9-15	WEST VIRGINIA - VALUED POLICIES	07/01/18	07/17/18
99-10-0832	7-05	WV IMPORTANT NOTICE - FLOOD INSURANCE AVAIL	07/01/18	07/17/18
99-10-0996	4-18	IMPORTANT NOTICE-NY LOC INSPECTIONS	07/01/18	07/17/18

last page

CHUBB®

Property Insurance

Schedule of Mortgagees And Loss Payees

Named Insured and Mailing Address

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

*Incorporated under the laws of
INDIANA*

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Policy Period

From: JULY 1, 2018 **To:** JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

SCHEDULE

PREMISES # 5 250 W MAIN ST
SUITE 1800
LEXINGTON, KENTUCKY 40507
COUNTY OF FAYETTE

LOSS PAYEE:

XEROX FINANCIAL SERVICES LLC
P.O. BOX 3547
BELLEVUE, WA 98009
AS RESPECTS: LEASED COPIERS

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Premises Summary
(continued)

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CHUBB®**Property Insurance****Declarations****Named Insured and Mailing Address**

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Producer No. 0069381-99999
Producer
USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PIT
Effective Date JULY 1, 2018

Issued by the stock insurance company
indicated below, herein called the company.
**FEDERAL INSURANCE
COMPANY**

Incorporated under the laws of
INDIANA

Policy Period:

From: JULY 1, 2018

To: JULY 1, 2019

12:01 A.M. standard time at the Named Insured's mailing address shown above.

Deductible

\$ 10,000

Extended Period

The information shown above applies to:

- all premises coverages;
- all additional coverages; and
- debris removal coverage,

and all premises shown in this and all other property declarations, unless corresponding specific information is shown as applicable to a specific premises or coverage.

Premises Schedule

1. WV RT 80, VERNER, WV 25650
2. US RT 460 & FORK RIDGE RD, RAVEN, VA 24639
3. 301 R H L BLVD, SUITE 12 - 2ND FLOOR, CHARLESTON, WV 25309
4. WV RT 80, VERNER, WV 25650
5. 250 W MAIN ST, SUITE 1800, LEXINGTON, KY 40507

Premises Coverages - Blanket Limits**Blanket Number and Coverages****Limits Of Insurance**

1. BUILDING
PERSONAL PROPERTY

\$ 20,000,000

CHUBB®**Premises Coverages - Blanket Limits**

(continued)

	<u>Limits Of Insurance</u>
2. BUILDING PERSONAL PROPERTY	\$ 31,500,000
3. BUILDING PERSONAL PROPERTY	\$ 3,500,000
4. BUSINESS INCOME WITH EXTRA EXPENSE	\$ 25,000,000

Premises Coverages If "Blanket" or "Loss Limit" is shown under Limits Of Insurance as applicable to a Premises, please refer to the "Premises Coverages - Blanket Limits" section or the "Loss Limits Of Insurance" section above to determine the Limit Of Insurance applicable to such Premises. "Blanket" limits are numbered for ease of reference. If a specific limit is shown under Limits Of Insurance for a Premises Coverage, that Limit applies to such coverage, even if a "Blanket" limit applies to other Premises Coverage at such premises.

PREMISES #1 WV RT 80
VERNER, WEST VIRGINIA 25650
DESC: ELK CREEK PREP PLANT EXCLUDING SILOS

		<u>Limits Of Insurance</u>
BUILDING		BLANKET 2
DEDUCTIBLE	\$ 250,000	
COINSURANCE	100%	
PERSONAL PROPERTY		BLANKET 2
DEDUCTIBLE	\$ 250,000	
COINSURANCE	100%	
ORDINANCE OR LAW		\$ 100,000
BUSINESS INCOME WITH EXTRA EXPENSE		BLANKET 4
WAITING PERIOD	336 HOURS	
COINSURANCE	100%	
INDEMNITY PERIOD		
NUMBER OF MONTHS	12	

PREMISES #2 US RT 460 & FORK RIDGE RD
RAVEN, VIRGINIA 24639
DESC: KNOX CREEK PREP PLANT

		<u>Limits Of Insurance</u>
BUILDING		BLANKET 1
DEDUCTIBLE	\$ 250,000	
COINSURANCE	90%	
PERSONAL PROPERTY		BLANKET 1
DEDUCTIBLE	\$ 250,000	
COINSURANCE	90%	
ORDINANCE OR LAW		\$ 100,000
BUSINESS INCOME WITH EXTRA EXPENSE		BLANKET 4
WAITING PERIOD	336 HOURS	
COINSURANCE	100%	
INDEMNITY PERIOD		
NUMBER OF MONTHS	12	

CHUBB®**Premises Coverages**

(continued)

PREMISES #3 301 R H L BLVD
 SUITE 12 - 2ND FLOOR
 CHARLESTON, WEST VIRGINIA 25309

DESC: OFFICE

		<u>Limits Of Insurance</u>
PERSONAL PROPERTY		\$ 20,000
DEDUCTIBLE	\$ 1,000	
COINSURANCE	90%	
ORDINANCE OR LAW		\$ 100,000

PREMISES #4 WV RT 80 BLDG # 1
 VERNER, WEST VIRGINIA 25650

DESC: ELK CREEK RAW COAL SILOS

		<u>Limits Of Insurance</u>
BUILDING		BLANKET 3
DEDUCTIBLE	\$ 100,000	
COINSURANCE	100%	
PERSONAL PROPERTY		BLANKET 3
DEDUCTIBLE	\$ 100,000	
COINSURANCE	100%	
ORDINANCE OR LAW		\$ 100,000
BUSINESS INCOME WITH EXTRA EXPENSE		BLANKET 4
WAITING PERIOD	336 HOURS	
COINSURANCE	100%	
INDEMNITY PERIOD		
NUMBER OF MONTHS	12	

PREMISES #4 WV RT 80 BLDG # 2
 VERNER, WEST VIRGINIA 25650

DESC: ELK CREEK OFFICE

		<u>Limits Of Insurance</u>
BUILDING		\$ 800,000
DEDUCTIBLE	\$ 25,000	
COINSURANCE	90%	
PERSONAL PROPERTY		\$ 25,000
DEDUCTIBLE	\$ 1,000	
COINSURANCE	90%	
ORDINANCE OR LAW		\$ 100,000

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Premises Coverages
(continued)

PREMISES #5 250 W MAIN ST
 SUITE 1800
 LEXINGTON, KENTUCKY 40507

DESC: OFFICE

		<u>Limits Of Insurance</u>
PERSONAL PROPERTY		\$ 20,000
DEDUCTIBLE	\$ 1,000	
COINSURANCE	90%	
ORDINANCE OR LAW		\$ 100,000

Chubb. Insured.™

CHUBB®

Property Insurance

Supplementary Declarations – Property

Named Insured and Mailing Address

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PTT

Effective Date JULY 1, 2018

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

*Incorporated under the laws of
INDIANA*

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Policy Period

From: JULY 1, 2018 To: JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Covered Premises \$250,000 Blanket Limit Of Insurance

The Blanket Limit Of Insurance shown above applies only for the Premises Coverages shown below. Unless otherwise stated, this Blanket Limit Of Insurance applies separately at each covered premises shown in the Declarations. This Blanket Limit Of Insurance applies in excess of the applicable deductible shown in the Declarations.

At time of loss, the first Named Insured may elect to apportion this Blanket Limit Of Insurance to one or any combination of the Premises Coverages shown, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit Of Insurance shown above at any one covered premises. For the purpose of the application of this \$250,000 Blanket Limit Of Insurance, all property at one premises shall constitute a single premises.

Separate specific Limits Of Insurance may be purchased for each of these Premises Coverages. If purchased, these Limits Of Insurance and any applicable deductible will be shown in the Declarations with the Premises Coverages. If no deductible is shown in the Declarations with the Premises Coverages, then the Property Deductible will apply. When a specific Limit Of Insurance is purchased for any of these Premises Coverages, such specific Limit Of Insurance will apply in addition to whatever amount the first Named Insured apportions to that coverage at time of loss as provided in the previous paragraphs.

Coverages Included In The Blanket Limit Of Insurance:

ACCOUNTS RECEIVABLE
ELECTRONIC DATA PROCESSING PROPERTY
FINE ARTS
LEASEHOLD INTEREST –
BONUS PAYMENT,
PREPAID RENT,
SUBLEASE PROFIT,
TENANTS' LEASE INTEREST

LEASEHOLD INTEREST – UNDAMAGED
TENANT'S IMPROVEMENTS & BETTERMENTS
NON-OWNED DETACHED TRAILERS
OUTDOOR TREES, SHRUBS, PLANTS OR LAWNS
PAIR AND SET
PUBLIC SAFETY SERVICE CHARGES
RESEARCH AND DEVELOPMENT PROPERTY
VALUABLE PAPERS

Property Coverages

The Limits Of Insurance shown below:

- are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you;
- apply separately at each premises shown in the Declarations, except for the following Additional Coverages which apply anywhere within the Coverage Territory:
 - Any Other Location;
 - Deferred Payments;
 - Exhibition, Fair Or Trade Show;
 - Installation;
 - In Transit; or
 - Mobile Communication Property (greater than 1,000 feet from a premises shown in the Declarations); and
- do not apply when the applicable coverage has been excluded as shown in the Declarations or by endorsement to this policy.

The Limits Of Insurance for:

- Debris Removal; and
- Preparation Of Loss Fees,

apply separately at each premises shown in the Declarations or anywhere within the Coverage Territory.

You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below. Any applicable deductible will be shown in the Declarations with the coverage. If no deductible is shown in the Declarations with the coverage, then the Property Deductible will apply. Extra Expense Coverage is not subject to any deductible.

Extra expense is subject to the:

- Business Income With Extra Expense contract if purchased; or
- Extra Expense contract, if the Business Income With Extra Expense contract is not purchased.

CHUBB®**Property Insurance****Supplementary Declarations – Property***Effective Date* JULY 1, 2018*Policy Number* 3711-55-64 PIT**Property Coverages****Limit Of Insurance****ANY OTHER LOCATION**

ACCOUNTS RECEIVABLE	\$ 50,000
BUILDING COMPONENTS	\$ 50,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 50,000
PERSONAL PROPERTY	\$ 50,000
RESEARCH AND DEVELOPMENT PROPERTY	\$ 50,000
VALUABLE PAPERS	\$ 50,000

DEBRIS REMOVAL

PREMISES SHOWN IN THE DECLARATIONS	\$ 100,000
ANY OTHER LOCATION	\$ 25,000
IN TRANSIT	\$ 25,000

DEFERRED PAYMENTS

\$ 25,000

EXHIBITION, FAIR OR TRADE SHOW

ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 50,000
PERSONAL PROPERTY	\$ 50,000

EXTRA EXPENSE

\$ 100,000

FUNGUS CLEAN-UP OR REMOVAL

\$ 25,000

INSTALLATION

ANY JOB SITE	\$ 25,000
IN TRANSIT	\$ 25,000

IN TRANSIT

ACCOUNTS RECEIVABLE	\$ 25,000
BUILDING COMPONENTS	\$ 25,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 25,000
PERSONAL PROPERTY	\$ 25,000
VALUABLE PAPERS	\$ 25,000

Property Coverages	Limit Of Insurance
LOSS OF MASTER KEY	\$ 15,000
LOSS PREVENTION EXPENSES	\$ 15,000
MOBILE COMMUNICATION PROPERTY (GREATER THAN 1,000 FEET FROM A PREMISES SHOWN IN THE DECLARATIONS)	\$ 15,000
MONEY & SECURITIES	
ON PREMISES	\$ 15,000
OFF PREMISES	\$ 15,000
PERSONAL PROPERTY OF EMPLOYEES	\$ 100,000
POLLUTANT CLEAN-UP OR REMOVAL	\$ 25,000
PREPARATION OF LOSS FEES	\$ 10,000

The following displays the Coverages and the applicable Limits Of Insurance for:

Newly Acquired Premises Or Newly Acquired Or Constructed Property	Limit Of Insurance
BUILDING	\$2,500,000
PERSONAL PROPERTY	\$1,000,000
PERSONAL PROPERTY AT EXISTING PREMISES	\$ 100,000
ELECTRONIC DATA PROCESSING EQUIPMENT	\$1,000,000
ELECTRONIC DATA	\$ 50,000
COMMUNICATION PROPERTY	\$ 50,000
FINE ARTS	\$ 25,000

CHUBB®

Property Insurance

Supplementary Declarations – Property

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

You may purchase increased Limits Of Insurance for any of the Newly Acquired Premises or Newly Acquired or Constructed Property Limits Of Insurance shown above and we will charge you an additional premium. If you purchase such increased Limits Of Insurance, the Limits Of Insurance shown in the Declarations will reflect your total limit, including the Limits Of Insurance shown above.



Authorized Representative

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Property Insurance

Supplementary Declarations – Business Income

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Named Insured and Mailing Address

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

*Incorporated under the laws of
INDIANA*

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Policy Period

From: JULY 1, 2018 **To:** JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Additional Business Income Coverages

The Limits Of Insurance shown below are provided for the Premises Coverages and Additional Coverages shown at no additional cost to you. You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance for any of these coverages, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below.

Except for Dependent Business Premises, Any Other Location, Exhibition, Fair or Trade Show and Preparation Of Loss Fees, the Limits Of Insurance shown below apply at each premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations.

The Limit Of Insurance for Dependent Business Premises applies:

- at each of your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations;
- separately to each occurrence, regardless of the number of dependent business premises that sustain covered direct physical loss or damage; and

- only if such direct physical loss or damage causes a business income loss (or extra expense loss if Business Income With Extra Expense is purchased) at your premises for which you have purchased a Limit Of Insurance for Business Income as shown in the Declarations,

provided that actual loss for such premises is the direct result of direct physical loss or damage, by a **covered peril**, to the **dependent business premises**.

If you increase the \$100,000 Limit of Insurance for Dependent Business Premises as provided for in this Supplementary Declarations, such increased limit of insurance:

- will be shown in the Declarations and will reflect your total Dependent Business Premises Limit of Insurance at the applicable **dependent business premises** shown in the Declarations; and
- is the most we will pay in any **occurrence** at all premises for which a Limit Of Insurance for Business Income is shown in the Declarations.

The Limit Of Insurance for Any Other Location or Exhibition, Fair or Trade Show applies within the Coverage Territory of this policy.

The Limit Of Insurance for Preparation Of Loss Fees applies at each premises shown in the Declarations or anywhere within the Coverage Territory.

Business Income Coverages

Limit Of Insurance

ANY OTHER LOCATION	\$ 25,000
CONTRACTUAL PENALTIES	\$ 10,000
DEPENDENT BUSINESS PREMISES	\$ 100,000
EXHIBITION, FAIR OR TRADE SHOW	\$ 10,000
PREPARATION OF LOSS FEES	\$ 10,000
INGRESS & EGRESS	\$ 25,000
LOSS OF UTILITIES	\$ 15,000
POLLUTANT CLEAN-UP OR REMOVAL	\$ 10,000

The following displays the coverage and the applicable Limit Of Insurance provided for each newly acquired premises:

Newly Acquired Premises

Limit Of Insurance

BUSINESS INCOME	\$ 100,000
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Authorized Representative



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Property Insurance

Supplementary Declarations – Impairment Of Computer Services – Malicious Programming

Named Insured and Mailing Address

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

*Incorporated under the laws of
INDIANA*

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

Policy Period

From: JULY 1, 2018 **To:** JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

The Limits Of Insurance shown below:

- are provided at no additional cost to you;
- apply anywhere within the Coverage Territory; and
- do not apply when the applicable coverage has been excluded as shown in the Declarations or by endorsement to this policy.

You may purchase increased Limits Of Insurance, and we will charge you an additional premium. If you purchase increased Limits Of Insurance, the Limits Of Insurance shown in the Declarations will reflect your total Limit Of Insurance, including the Limits Of Insurance shown below. Any applicable deductible will be shown in the Declarations with the coverage. If no deductible is shown in the Declarations with the coverage, then the Property Deductible will apply. Extra Expense is not subject to any deductible.

IMPAIRMENT OF COMPUTER SERVICES – MALICIOUS PROGRAMMING

INSIDE ATTACK	\$ 100,000
OUTSIDE ATTACK – PER OCCURRENCE	\$ 10,000
OUTSIDE ATTACK – ANNUAL AGGREGATE	\$ 50,000



Authorized Representative

Chubb. Insured.™

Property Insurance**Building And Personal Property****Table Of Contents**

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PROPERTY

CONTRACT

BUILDING AND PERSONAL PROPERTY

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Building And Personal Property

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Premises Coverages

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, the loss or damage must:

- be caused by or result from a peril not otherwise excluded; and
- occur at, or within 1,000 feet of, the premises shown in the Declarations.

Building Or Personal Property

We will pay for direct physical loss or damage to:

- **building**; or
- **personal property**,

caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Building Or Personal Property shown in the Declarations.

Burglary Damage To Building

We will pay for direct physical loss or damage to a **building**:

- you do not own;
- you occupy; and
- for which you are contractually liable,

caused by or resulting from burglary or any attempt at burglary, not to exceed the Limit Of Insurance for Personal Property shown in the Declarations for the premises where the loss or damage occurred.

This Premises Coverage does not apply:

- to ensuing loss or damage caused by or resulting from a peril not otherwise excluded; or
- if a Limit Of Insurance for Building applicable to the premises, where the loss or damage occurred, is shown in the Declarations.

Fungus Clean-up Or Removal

We will pay the costs you incur to clean up, remove, restore or replace covered property because of the presence of **fungus** at the premises shown in the Declarations.

The most we will pay at the premises for the sum of all such covered costs that occur during each separate 12-month policy period, regardless of whether this Premises Coverage appears in any other contract or contracts that form part of this policy is the applicable Limit Of Insurance for Fungus Clean-up Or Removal shown in the Declarations.

Premises Coverages

Fungus Clean-up Or Removal (continued)

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **fungus**, other than payment for testing that is performed during the clean-up or removal of **fungus**.

This Premises Coverage does not apply if the presence of **fungus**:

- A. is caused by or results from:
 - 1. a peril that is excluded under this insurance; or
 - 2. moisture, other than **water** or **flood**, if the **flood** would be covered under this insurance;
- B. existed prior to the effective date shown in the Declarations;
- C. is not reported to us in writing as soon as possible after you first become aware, or in the exercise of reasonable care, should have become aware, of the presence of **fungus**; or
- D. is at premises that has been specifically excluded in the Declarations or by endorsement to this policy.

Leasehold Interest - Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest

We will pay for the:

- **bonus payment;**
- **prepaid rent;**
- **sublease profit; or**
- **tenants' lease interest,**

loss you incur directly resulting from the cancellation of your written lease for the premises shown in the Declarations, not to exceed the applicable Limit Of Insurance for:

- Bonus Payment;
- Prepaid Rent;
- Sublease Profit; or
- Tenants' Lease Interest,

shown under Leasehold Interest in the Declarations.

Cancellation of the lease must be:

- by the lessor;
- by a valid condition of your lease; and
- due to direct physical loss or damage to a **building** caused by or resulting from a peril not otherwise excluded at the premises shown in the Declarations.

Leasehold Interest - Undamaged Tenant's Improvements And Betterments

We will pay for the value of undamaged **tenant's improvements and betterments** when your lease is canceled:

- by the lessor; and
- by a valid condition of your lease,



Building And Personal Property

Premises Coverages

Leasehold Interest - Undamaged Tenant's Improvements And Betterments (continued)

due to direct physical loss or damage to **building or personal property** caused by or resulting from a peril not otherwise excluded at the premises shown in the Declarations, not to exceed the applicable Limit Of Insurance for Leasehold Interest - Undamaged Tenant's Improvements And Betterments shown in the Declarations.

Loss Of Master Key

We will pay for the reasonable and necessary costs you incur to:

- replace keys;
- adjust locks to accept new keys; or
- if required, install new locks,

due to direct physical loss or damage to a master key or grand master key caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Loss Of Master Key shown in the Declarations.

Loss Prevention Expenses

We will pay the reasonable and necessary costs you incur to protect:

- **building;**
- **personal property; or**
- **research and development property,**

at the premises shown in the Declarations from imminent direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Loss Prevention Expenses shown in the Declarations.

To the extent possible, you must notify us of your intent to incur such cost before you take any loss prevention action.

In any event, you must notify us within forty-eight (48) hours after you have taken any loss prevention action.

Non-Owned Detached Trailers

We will pay for direct physical loss or damage to **non-owned detached trailers** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Non-Owned Detached Trailers shown in the Declarations.

Outdoor Trees, Shrubs, Plants Or Lawns

We will pay for direct physical loss or damage to **outdoor trees, shrubs, plants or lawns** at premises you own, rent or occupy, shown in the Declarations, caused by or resulting from:

- fire;
- lightning;
- explosion;
- riot or civil commotion; or
- aircraft or self-propelled missiles,

Premises Coverages

Outdoor Trees, Shrubs, Plants Or Lawns (continued)

not to exceed the applicable Limit Of Insurance for Outdoor Trees, Shrubs, Plants Or Lawns shown in the Declarations.

Pair And Set

We will pay for consequential loss to undamaged **personal property** that is part of:

- your product; or
- any product in your care, custody or control,

which has become unmarketable as a complete product, because of covered direct physical loss or damage to **personal property** which is part of the same product, not to exceed the applicable Limit Of Insurance for Pair And Set shown in the Declarations.

This Premises Coverage applies only when you have purchased a Limit Of Insurance for Personal Property.

Personal Property Of Employees

We will pay for direct physical loss or damage to **personal property of employees** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Personal Property Of Employees shown in the Declarations.

We will also pay for direct physical loss or damage to **personal property of employees** caused by or resulting from a peril not otherwise excluded while such **personal property of employees** is away from your premises for the purpose of performing duties relating to the conduct of your business, not to exceed \$2,500 for any one employee or \$10,000 in the aggregate for any **occurrence**, regardless of the number of employees.

Processing Water

We will pay the cost you incur to replace water that is used in your processing operations and contained in any:

- above-ground tank;
- processing equipment; or
- any associated above-ground piping,

when such water has been released or rendered unusable for its intended purpose as a direct result of direct physical loss or damaged to such tank, equipment or piping caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Processing Water shown in the Declarations.

The loss or damage must occur at the premises show in the Declarations.

This Premises Coverage does not apply to fire protection equipment.

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Building And Personal Property

Premises Coverages
(continued)

Public Safety Service Charges

We will pay the charges you:

- assume under any contract or agreement; or
- are required to pay by local ordinance,

in effect at the time of the direct physical loss or damage, if a fire department or other municipal agency charged with preserving public safety is called to save or protect **building, personal property or research and development property** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

Removal

We will pay for direct physical loss or damage to **building components, personal property or research and development property** while:

- being moved to another location or returned from such location to its original location; or
- temporarily stored at another location,

if you must move the **building components, personal property or research and development property** from such location to preserve it from imminent loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Building, Personal Property or Research And Development Property shown in the Declarations.

Research And Development Property

We will pay for:

- direct physical loss or damage to **research and development property** caused by or resulting from a peril not otherwise excluded; and
- the necessary and reasonable additional cost you incur to repair or replace **research and development property** that has been lost or damaged by a peril not otherwise excluded,

not to exceed the applicable Limit Of Insurance for Research and Development Property shown in the Declarations.

These additional costs must be in excess of the cost you would otherwise incur to repair or replace lost or damaged **research and development property** in order to meet your last scheduled introduction date (prior to loss or damage) for any new product which is based on such **research and development property**.

Additional Coverages

The following Additional Coverages apply within the coverage territory.

Any Other Location.

We will pay for direct physical loss or damage caused by or resulting from a peril not otherwise excluded to:

- **building components;**
- **personal property; or**
- **research and development property,**

Additional Coverages

Any Other Location (continued)

at unspecified premises, not to exceed the applicable Limit Of Insurance for:

- Building Components;
- Personal Property; or
- Research and Development Property,

shown under Any Other Location in the Declarations.

This Additional Coverage does not apply to:

- **salespersons' samples;**
- property while at any exhibition, fair or trade show;
- property at newly acquired premises;
- property while **in transit**; or
- property at a job site or temporarily warehoused elsewhere awaiting installation at the job site.

This Additional Coverage applies only if a Limit Of Insurance for:

- Building Components;
- Personal Property; or
- Research And Development Property,

is shown under Any Other Location in the Declarations.

Arson Or Theft Reward

We will pay a reward of 25% of the covered loss or damage, up to a maximum of \$25,000, for information leading to a felony conviction arising out of direct physical loss or damage to covered property caused by or resulting from arson, larceny, burglary or vandalism.

Deferred Payments

We will pay for your interest in **personal property** that suffers direct physical loss or damage caused by or resulting from a peril not otherwise excluded and sold by you under a conditional sale or trust agreement or any installment or deferred payment plan:

- **while in transit** to buyers; or
- after delivery to buyers,

not to exceed the applicable Limit Of Insurance for Deferred Payments shown in the Declarations.

This Additional Coverage does not apply to default by the buyer of such agreement or plan.

This Additional Coverage applies only if a Limit Of Insurance for Deferred Payments is shown in the Declarations.

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Building And Personal Property

Additional Coverages
(continued)

Exhibition, Fair Or Trade Show

We will pay for direct physical loss or damage to **personal property** caused by or resulting from a peril not otherwise excluded while:

- **in transit** to or from any exhibition, fair or trade show; or
- at any exhibition, fair or trade show,

not to exceed the applicable Limit Of Insurance for Personal Property shown under Exhibition, Fair Or Trade Show in the Declarations.

This Additional Coverage does not apply to:

- **electronic data processing property**; or
- **fine arts**.

This Additional Coverage applies only if a Limit Of Insurance for Personal Property is shown under Exhibition, Fair Or Trade Show in the Declarations.

Fire Protection Equipment

We will pay the cost you incur to refill your discharged fire protection equipment whether or not there is direct physical loss or damage to property.

This Additional Coverage is provided regardless of whether a Limit Of Insurance is shown in the Declarations.

Installation

We will pay for direct physical loss or damage to **personal property** caused by or resulting from a peril not otherwise excluded while such **personal property** is:

A. at a job site or temporarily warehoused elsewhere:

1. awaiting and during installation;
2. awaiting and during tests; or
3. awaiting acceptance by the buyer,

not to exceed the applicable Limit Of Insurance for Any Job Site shown under Installation in the Declarations; or

B. **in transit** to or from such job site or temporary warehouse, not to exceed the applicable Limit Of Insurance for In Transit shown under Installation in the Declarations.

We will not pay for any loss or damage to:

- **personal property** not a part of or destined to become part of the installation;
- tools; or
- **contractors' equipment**.

This Additional Coverage ends when the first of the following occurs:

- your interest in the **personal property** ceases;
- the buyer accepts the **personal property**;
- the **personal property** is put to use for its intended purpose; or

Additional Coverages**Installation
(continued)**

- this policy is terminated.

This Additional Coverage applies only if a Limit Of Insurance for Any Job Site or In Transit is shown under Installation in the Declarations.

In Transit

We will pay for direct physical loss or damage to:

- A. **personal property, building components, or research and development property while in transit;**
- B. **personal property** being shipped FOB or on other similar terms after the title of a shipment passes to the consignee; or
- C. **personal property** which has been refused by the consignee, from the time such property has been refused until:
 1. the time such property is returned to your premises; or
 2. 14 consecutive days after such property has been refused,
 whichever occurs first,

caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Personal Property, Building Components or Research And Development Property shown under In Transit in the Declarations.

We will not attempt to collect from the consignee, unless you:

- provide us with your written consent to do so; or
- assign us your right of action.

We will also pay for:

- A. the necessary additional expenses you incur to inspect, repackage and reship **personal property** damaged by a peril not otherwise excluded;
- B. general average and salvage charges that may be assessed against your covered **personal property** shipments that are waterborne; and
- C. loss or damage to **personal property** during loading and unloading of that property from a transporting conveyance, by a peril not otherwise excluded,

not to exceed the applicable Limit Of Insurance for Personal Property shown under In Transit in the Declarations.

This Additional Coverage does not apply:

- to any **personal property, building components or research and development property while in transit** to or from any exhibition, fair or trade show;
- to **salespersons' samples**;
- when you are acting as a carrier for hire;
- if you have purchased separate ocean marine insurance that covers any property **in transit**;
- to shipments by mail, unless registered;
- to **electronic data processing property**;

CHUBB®

Building And Personal Property

Additional Coverages

In Transit (continued)

- to **fine arts**; or
- to loss or damage to any property insured under the International Air Shipments Additional Coverage.

International Air Shipments

We will pay for direct physical loss or damage to **personal property** caused by or resulting from a peril not otherwise excluded while being shipped by air to or from:

- the contiguous United States of America;
- Canada;
- the State of Alaska;
- the State of Hawaii;
- Puerto Rico; or
- territories or possessions of the United States of America or Canada,

and points worldwide, not to exceed the applicable Limit Of Insurance for Personal Property shown under International Air Shipments in the Declarations. This coverage applies from the delivery of **personal property** at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.

This Additional Coverage does not apply:

- to **personal property** while being shipped by air to or from any exhibition, fair or trade show;
- if you have purchased separate ocean marine insurance which covers any **personal property** being shipped by air;
- to shipments by mail;
- if you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank;
- to **electronic data processing property**;
- to **fine arts**; or
- to loss or damage to any property insured under the In Transit Additional Coverage.

Newly Acquired Property

We will pay for direct physical loss or damage to:

- **building** under construction at existing or newly acquired premises;
- **building or personal property** at newly acquired premises; or
- newly acquired **personal property** at existing premises shown in the Declarations

caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Building or Personal Property shown in the Declarations under Newly Acquired Premises or Newly Acquired or Constructed Property.

Additional Coverages

Newly Acquired Property (continued)

This Additional Coverage applies until the first of the following occurs:

- you report the value of the **building** or **personal property** at the newly acquired premises to us and we add such **building** or **personal property** to this policy;
- you report the value of the newly acquired **personal property** at the existing premises shown in the Declarations, and we add such **personal property** to this policy;
- 180 days pass from the date you acquire the premises, **personal property**, or construction begins on the **building**; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the premises or **personal property**, or construction begins on the **building**, if we add such premises, **personal property** or **building** to this policy.

Personal property being moved from a vacated premises to a new premises is not considered newly acquired **personal property**.

Pollutant Clean-up Or Removal

We will pay the costs you incur to clean up or remove **pollutants** from land, water or air:

- A. at the premises shown in the Declarations and either inside or outside of a **building**; or
- B. if the **pollutants** were part of:
 1. **personal property**;
 2. **research and development property**; or
 3. **building components**,
 while in transit,

if the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

The costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **pollutants**.

The most we will pay:

- at a premises shown in the Declarations; and
- for any property in transit,

for all such covered costs that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy, is the applicable Limit Of Insurance for Pollutant Clean-up Or Removal shown in the Declarations.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, other than payment for testing that is performed during the clean up or removal of the **pollutants** from the land, water or air, either inside or outside of a **building**.

CHUBB®

Building And Personal Property

Additional Coverages

Pollutant Clean-up Or Removal (continued)

This Additional Coverage does not apply if the discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- is caused by or results from a peril that is excluded under this insurance; or
- occurred prior to the effective date shown in the Declarations.

Preparation Of Loss Fees

We will pay the reasonable and necessary expenses we require you to incur after covered direct physical loss or damage to:

- **building;**
- **personal property;**
- **personal property of employees;**
- **research and development property; or**
- **outdoor trees, shrubs, plants or lawns,**

to determine the extent of such loss or damage, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant, or attorney; or
- of your subsidiaries or affiliates.

Salespersons' Samples

We will pay for direct physical loss or damage to **salespersons' samples** caused by or resulting from a peril not otherwise excluded, not to exceed the Limit Of Insurance for Salespersons' Samples shown in the Declarations.

This Additional Coverage applies only if a Limit Of Insurance for Salespersons' Samples is shown in the Declarations.

Debris Removal Coverage

The following Debris Removal Coverage applies.

Debris Removal

A. We will pay for the costs you incur to:

1. demolish and remove debris of damaged **building, personal property, personal property of employees or research and development property** caused by or resulting from a peril not otherwise excluded that occurs during the policy period; or
2. remove debris of damaged **outdoor trees, shrubs, plants or lawns** at the premises shown in the Declarations, caused by or resulting from the perils of fire, lightning, explosion, riot or civil commotion or aircraft or self-propelled missiles that occurs during the policy period.

B. The most we will pay for debris removal is the lesser of:

1. 25% of the covered direct physical loss or damage; or

Debris Removal Coverage
**Debris Removal
(continued)**

2. the remaining applicable Limit Of Insurance for Building, Personal Property, Personal Property Of Employees, Research and Development Property or Outdoor Trees, Shrubs, Plants Or Lawns shown in the Declarations, after payment of the covered direct physical loss or damage.
- C. If the amount in B. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit Of Insurance shown under Debris Removal in the Declarations.

We will also pay up to \$1,000 for the costs you incur at each premises to remove debris that is blown onto your premises by wind, if the wind would be covered by this insurance.
- D. Debris removal will be paid only if:
 1. reported to us in writing within 180 days of the date of the direct physical loss or damage to the **building, personal property, personal property of employees, research and development property or outdoor trees, shrubs, plants or lawns**; and
 2. a Limit Of Insurance applicable to the damaged **building, personal property, personal property of employees, research and development property or outdoor trees, shrubs, plants or lawns** is shown in the Declarations.
- E. Debris removal does not apply to costs to:
 1.
 - a. clean up or remove **pollutants** from land, water or air;
 - b. clean up, remove, restore or replace covered property because of the presence of **fungus**; or
 - c. clean up, remove, restore or replace polluted land, water or air, either inside or outside of a **building**; or
 2. demolish and clear the site of the undamaged portion of the **building**.

Policy Exclusions

The following Policy Exclusions apply to all the coverages in this contract.

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Business Errors

This insurance does not apply to loss or damage caused by or resulting from errors in the:

- altering;
- calibrating;
- constructing;
- developing;
- distributing;

CHUBB®

Building And Personal Property

Policy Exclusions

***Business Errors
(continued)***

- installing;
- manufacturing;
- maintaining;
- processing;
- repairing;
- researching; or
- testing,

of part or all of any property.

This Business Errors exclusion does not apply to:

- loss or damage that results to other covered property; or
- ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omission committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehousemen for hire, other than:
 - 1. you, your partners, directors, trustees and employees;
 - 2. anyone performing acts coming within the scope of the usual duties of your employees; or
 - 3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

***Governmental Or Military
Action***

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Policy Exclusions

Governmental Or Military Action (continued)

This Governmental Or Military Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental or military authority:

- A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or
- B. if the act of destruction is made necessary by direct physical loss or damage to:
 - 1. **personal property while in transit**; or
 - 2. a conveyance in or on which **personal property while in transit** is loaded, caused by or resulting from a specified peril not otherwise excluded.

Inherent Vice/Latent Defect

This insurance does not apply to loss or damage caused by or resulting from inherent vice or latent defect.

This Inherent Vice/Latent Defect exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a **specified peril or water**.

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of any insect or other animal.

This Insects Or Animals exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Mechanical Breakdown (Other Than Abrupt And Accidental)

This insurance does not apply to loss or damage caused by or resulting from mechanical breakdown.

This Mechanical Breakdown (Other Than Abrupt And Accidental) exclusion does not apply to:

- A. abrupt and accidental breakdown of **mechanical or electrical system or apparatus** which causes direct physical loss or damage to all or part of that **mechanical or electrical system or apparatus** provided the direct physical loss or damage becomes manifest at the time of the breakdown that caused it.

Abrupt and accidental breakdown of **mechanical or electrical system or apparatus** does not include:

- 1. rust, oxidation or corrosion;
- 2. faulty, inadequate or defective design, plan, specifications or installation;
- 3. failure of **mechanical or electrical system or apparatus** to perform in accordance with plans or specifications; or
- 4. freezing caused by or resulting from weather conditions; or
- B. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

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Building And Personal Property

Policy Exclusions
(continued)

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Nuclear Hazard exclusion does not apply to ensuing loss or damage to:

- **building;**
- **personal property;**
- **personal property of employees; or**
- **research and development property,**

caused by or resulting from fire, if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

***Planning, Design,
Materials Or
Maintenance***

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations.

This Planning, Design, Materials Or Maintenance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Utility Supply Failure

This insurance does not apply to loss or damage caused by or resulting from suspension or reduction of:

- water services;
- electrical or other power services;
- natural gas or other fuel services; or
- Internet or other communication services,

regardless of any other cause or event that:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Policy Exclusions

Utility Supply Failure (continued)

This Utility Supply Failure exclusion does not apply:

- if the suspension or reduction of such services is the direct result of direct physical loss or damage caused by or resulting from a peril not otherwise excluded; or
- to ensuing loss or damage caused by or resulting from a **specified peril**.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear And Tear exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril or water**.

Additional Exclusions

The following Additional Exclusions apply to all coverages in this contract except:

- In Transit Additional Coverage;
- International Air Shipments Additional Coverage;
- Research And Development Property Premises Coverage; and
- Salespersons' Samples Additional Coverage.

Disappearance

This insurance does not apply to loss or damage caused by or resulting from:

- disappearance; or
- shortage disclosed on taking inventory,

where there is no physical evidence to show what happened.

This Disappearance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

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Building And Personal Property

Additional Exclusions
(continued)

Earthquake

This insurance does not apply to loss or damage caused by or resulting from earthquake, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Earthquake exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Errors In Systems Programming

This insurance does not apply to loss or damage caused by or resulting from:

A. errors or omissions in the development of, programming of, or instructions to:

1. **electronic data processing property**; or
2. a machine; or

B. **electronic data** which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Flood

This insurance does not apply to loss or damage caused by or resulting from:

- waves, tidal water or tidal waves; or
- rising, overflowing or breaking of any boundary,

of any natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse, whether driven by wind or not, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Flood exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Fungus

This insurance does not apply to loss or damage:

- which is **fungus**;
- which is in anyway attributed to the presence of **fungus**; or
- caused by or resulting from **fungus**,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or

Additional Exclusions

Fungus (continued)

- contributes in any sequence to,
the loss or damage, even if such cause or event would otherwise be covered.

This Fungus exclusion does not apply:

- A. when the presence of **fungus** results from:
 - 1. explosion;
 - 2. fire;
 - 3. leakage from fire protection equipment; or
 - 4. lightning; or
- B. to the extent insurance is provided under the Fungus Clean-up Or Removal Premises Coverage.

Pollutants

This insurance does not apply to loss or damage caused by or resulting from the mixture of or contact between property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:

- itself or other property;
- persons, animals or plants;
- land, water or air; or
- any other part of an environment,

either inside or outside of a building or other structure, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Pollutants exclusion does not apply to:

- A. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly results from a **specified peril**;
- B. any solid, liquid or gas used to suppress fire; or
- C. **water**.

Paragraphs B and C do not apply to loss or damage involving:

- viruses or pathogens; or
- ammonia.

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Building And Personal Property

Additional Exclusions

(continued)

Settling

This insurance does not apply to loss or damage caused by or resulting from settling, cracking, shrinking, bulging or expansion of land, paved or concrete surfaces, foundations, pools, **buildings** or other structures.

This Settling exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Limits Of Insurance

Except as provided under Fungus Clean-up Or Removal and Pollutant Clean-up Or Removal, the most we will pay in any **occurrence** is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverages is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

Building Extended Limit Of Insurance

If an Extended Limit Of Insurance for Building is shown in the Declarations, the most we will pay in any **occurrence** is the amount of loss or damage, not to exceed 125% of the applicable Limit Of Insurance for Building shown in the Declarations.

The Extended Limit Of Insurance for Building:

- applies only to a premises shown in the Declarations for which the Extended Limit Of Insurance is shown; and
- does not apply to any Limit Of Insurance applicable to more than one **building** or **building** and any other coverage combined.

Automatic Increase In Limits

The Limits Of Insurance for Building or Personal Property will automatically increase by the annual percentage shown in the Declarations under Automatic Increase In Limits. At the time of loss or damage, the amount of increase will be determined by multiplying the applicable Limit Of Insurance shown in the Declarations by the percentage of annual increase applied on a pro rata basis.

This Automatic Increase In Limits:

- A. applies only to a premises shown in the Declarations for which the Automatic Increase In Limits is shown; and
 - B. does not apply to any Limit of Insurance applicable to:
 - 1. more than one **building**;
 - 2. **personal property** in more than one **building**;
 - 3. **building** and **personal property** combined; or
 - 4. **building** or **personal property** combined with any other coverage.
-

Deductible

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage, after application of Coinsurance if applicable, in excess of the applicable deductible amount shown in the Declarations for each **occurrence**.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

The following Loss Payment Basis provisions apply to all coverages contained within this contract, unless otherwise stated.

Subject to the applicable Limit Of Insurance shown in the Declarations:

- A. covered property is valued on a replacement cost basis as described below, unless:
 - 1. the Loss Payment Basis shown in the Declarations is Actual Cash Value; or
 - 2. otherwise stated under Loss Payment Basis Exceptions; and
- B. valuation also includes, for **building** or **personal property**, costs you incur as described below under Ordinance Or Law, Construction Fees, Brands And Labels and Extended Warranties.

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option, we will either:

- pay the covered value of the lost or damaged covered property;
- pay the cost of repairing or replacing the lost or damaged covered property plus any reduction in value of the repaired item;
- take all or any part of the covered property at an agreed or appraised value; or
- repair or replace the covered property with other such property of comparable material and quality for the same use or occupancy.

Replacement Cost Basis

Lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage, but not more than you actually spend to repair or replace such property at the same or another location for the same use or occupancy. There is no deduction for physical deterioration or depreciation.

If you replace the lost or damaged covered property, the valuation will include customs duties incurred.

If you do not repair or replace the covered property, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged covered property within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the lesser of the:

- replacement cost at the time of loss or damage; or
- actual costs you incur to repair or replace.

Payment under the Replacement Cost Basis will not be made until the completion of the repairs or the replacement of the covered property.

CHUBB®**Building And Personal Property****Loss Payment Basis**
(continued)**Actual Cash Value Basis**

If the Loss Payment Basis shown in the Declarations is Actual Cash Value, lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- physical depreciation;
- obsolescence; and
- depletion.

Ordinance Or Law

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of a **building or personal property**, and if that ordinance or law affects the repair or replacement of the lost or damaged **building or personal property**, and if you:

- A. repair or replace the **building or personal property** as soon as reasonably possible, the valuation will include:
 1. a. the replacement cost of the damaged and undamaged portions of the **building or personal property**; or
 - b. the actual cash value of the damaged and undamaged portions of the **building or personal property** (if the applicable Loss Payment Basis shown in the Declarations is Actual Cash Value);
 2. the costs to demolish and clear the site of the undamaged portion of the **building or personal property**; and
 3. the increased cost to repair or replace the **building** to the same general size at the same site or **personal property** for the same general use, to the minimum standards of such ordinance or law, except we will not include any costs:
 - a. for land, water or air, either inside or outside of a **building**;
 - b. for paved or concrete surfaces, retaining walls, foundations or supports below the surface of the lowest floor or basement, unless specifically covered by this policy, or **outdoor trees, shrubs, plants or lawns**;
 - c. incurred outside the legal property boundary of the premises shown in the Declarations;
 - d. if **building or personal property** is valued on an actual cash value basis; or
 - e. attributable to any ordinance or law that you were required to, but failed to, comply with before the loss; or
- B. do not repair or replace the **building or personal property**, the valuation will include:
 1. the actual cash value of the damaged and undamaged portions of the **building or personal property**; and
 2. the cost to demolish and clear the site of the undamaged portion of the **building or personal property**.

When direct physical loss or damage is caused by or results from both:

- a peril not otherwise excluded; and

Loss Payment Basis

Ordinance Or Law (continued)

- an excluded peril,

the valuation will not include the Ordinance Or Law costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including Ordinance Or Law costs, unless the Ordinance Or Law applies solely to that portion of the **building** or **personal property** which suffered the covered direct physical loss or damage.

This Loss Payment Basis does not apply to:

- any costs for undamaged **tenant's improvements and betterments** that are payable under the Leasehold Interest – Undamaged Tenant's Improvements and Betterments Premises Coverage;
- any increase in costs, loss or damage associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus** or **pollutants**; or
- loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Ordinance Or Law Loss Payment Basis does not apply to the Fungus Clean-up Or Removal Premises Coverage or Pollutant Clean-up Or Removal Premises Coverage.

If a maximum value for ordinance or law is shown in the Declarations, then, subject to the applicable Limits Of Insurance shown in the Declarations, such maximum value is the most we will consider under Ordinance Or Law.

Construction Fees

Building and **personal property** valuation includes necessary and incurred architectural, engineering, consulting, decorating and supervisory fees related to the construction and repair of the lost or damaged **building** and **personal property**.

Brands And Labels

Personal property valuation includes the cost of:

- replacing labels, capsules, wrappers or containers from lost or damaged **personal property**; or
- identifying and reconditioning lost or damaged **personal property**.

In the event of loss or damage to **stock**, you have two options when:

- you do not want to sell your lost or damaged **stock** under your brand or label; or
- the owner of any lost or damaged **stock** in your care, custody or control does not want to sell that lost or damaged **stock** under the owner's brand or label,

even though the lost or damaged **stock** has salvage value, you may:

- remove the brand or label and then relabel the lost or damaged **stock** to comply with the law; or

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Building And Personal Property

Loss Payment Basis

Brands And Labels (continued)

- label the lost or damaged **stock** as "salvage" but, in doing so, cause no further loss or damage to the **stock**.

In either case, the **personal property** valuation will include the difference between:

- the salvage value of the lost or damaged **stock** with the brand or label attached; and
- the salvage value of the lost or damaged **stock** with the brand or label removed.

Extended Warranties

Personal property or **building components** valuation includes the pro rata portion of the original cost based on the period of time remaining in your nonrefundable extended warranties, maintenance contracts or service contracts that you purchased and which are no longer valid on lost or damaged:

- **personal property**; or
- **building components** consisting of permanently installed, or intended to be permanently installed, machinery and equipment,

that you repair or replace.

Loss Payment Basis Exceptions

Accounts Receivable Records And Valuable Papers

Accounts receivable records and **valuable papers**, are valued based on the cost of blank materials and the cost of copying from a duplicate source on the same type of materials.

Deferred Payments

When a total loss occurs, coverage for Deferred Payments is valued based on the amount shown on your books as due from the buyer.

When partial loss or damage occurs and the buyer refuses to continue payment, forcing you to repossess, coverage for Deferred Payments will be valued as follows:

If the realized value of the repossessed **personal property** is:

- greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
- less than the amount shown on your books as due from the buyer, we will pay the difference, less any amount that was past due by more than 30 days.

Finished Stock And Sold Personal Property

Finished stock and sold **personal property** completed and awaiting delivery are valued based on your selling price less the value of discounts and costs you would have incurred.

Loss Payment Basis Exceptions

(continued)

Gold, Gold Salts And Other Precious Metals

Gold, gold salts and other precious metals are valued based on the average market cost for replacement as published by the American Metals Market during the period of 10 business days immediately preceding the date of loss or damage, or the actual sum you pay for replacement, whichever is less.

Nuclear Hazard

Building, personal property, personal property of employees, or research and development property which suffers direct physical loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination, is valued on an actual cash value basis, subject to all other exceptions described under Loss Payment Basis Exceptions.

Personal Property Of Others, Business Personal Property You Lease And Personal Property Of Employees

Personal property of others, business personal property you lease and personal property of employees are valued on the same basis as **personal property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Labor, materials and services that you furnish or arrange on **personal property of others, business personal property you lease and personal property of employees** are valued based on the actual cost of the labor, materials and services.

Research And Development Property

If lost or damaged **research and development property**:

- cannot be repaired, replaced, or reproduced; or
- is not replaced or reproduced,

no payment will be made under this insurance.

Research And Development Property Of Others

Research and development property not owned by you is valued on the same basis as your **research and development property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Stock In Process

Stock in process is valued based on the cost of raw materials and costs expended as of the date of loss or damage.

Undamaged Tenant's Improvements And Betterments

Undamaged **tenant's improvements and betterments** are valued based on:

- the cost to replace undamaged **tenant's improvements and betterments** at the time of loss or damage at another site if you commence replacement within 24 months following the termination of your lease; or
 - the **unamortized** portion of their original cost to you if you do not replace undamaged **tenant's improvements and betterments**.
-

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Building And Personal Property

***Loss Payment
Limitations***

Electronic Data

We will not pay for any loss or damage to **electronic data**, unless such loss or damage is caused by or results from:

- aircraft;
- explosion;
- falling objects;
- fire;
- freezing;
- leakage from fire protection equipment;
- lightning;
- riot or civil commotion;
- **sinkhole collapse**;
- smoke;
- vehicles;
- weight of snow; or
- windstorm or hail.

Loss Of Market

We will not pay for any loss or damage that results from loss of market, loss of use or delay.

Prototypes

When production of a new product begins, coverage under this contract ceases for:

- the **prototype** of that product; and
- the research project directly associated with the new product.

***Tenant's Improvements
And Betterments***

We will not pay for that part of any lost or damaged **tenant's improvements and betterments** which is paid by others.

***Suspension, Lapse Or
Cancellation Of Any
License***

Leaschold Interest insurance does not apply to loss caused by or resulting from the suspension, lapse or cancellation of any license.

Conditions (Including Coverage Territory)

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any additional conditions are shown in the Additional Conditions section of this contract.

Additional Condition**Building Or Personal Property Coinsurance**

Coinurance applies to **building or personal property** only when a coinsurance percentage under Building or Personal Property is shown in the Declarations.

Coinurance does not apply to:

- **personal property or building components while in transit;**
- **building or personal property** at any premises not shown in the Declarations; or
- any covered loss of \$100,000 or less.

If coinsurance applies, our maximum loss payment will be determined as follows:

- A. determine the value of the covered **building or personal property** at the time of loss or damage in accordance with the applicable Loss Payment Basis as provided under Loss Payment Basis;
- B. multiply the value determined in step A. by the applicable coinsurance percentage shown in the Declarations;
- C. divide the applicable Limit Of Insurance for Building or Personal Property shown in the Declarations by the amount determined in step B.;
- D. multiply the total amount of the covered loss or damage, before the application of any deductible, by the percentage determined in step C.; and
- E. subtract the deductible from the amount determined in step D.

The amount determined in step E. is the most we will pay for loss or damage, not to exceed the applicable Limit Of Insurance for Building or Personal Property shown in the Declarations.

If coinsurance applies and the **building or personal property** is valued on a replacement cost basis and if you do not repair or replace the **building or personal property**, we will pay you the lesser of:

- the actual cash value of the lost or damaged **building or personal property**; or
- the replacement cost of the lost or damaged **building or personal property** after application of coinsurance.

If you commence the repair or replacement of the lost or damaged **building or personal property** within 24 months from the date of the loss or damage, and if the payment made above was on an actual cash value basis, then we will pay the difference between the previous payment and the lesser of the replacement cost of the lost or damaged **building or personal property** at the time of:

- loss or damage; or
- actual replacement,

after the application of coinsurance.

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Building And Personal Property

Additional Condition

***Building Or Personal
Property Coinsurance
(continued)***

Coinurance will apply to the total values of all **building** and **personal property** if one Limit Of Insurance for Building or Personal Property applies to:

- more than one **building**;
- **personal property** at more than one premises; or
- **buildings** and **personal property** at one or more premises.

If **personal property** is insured with a separate Limit Of Insurance for **personal property** at each premises, you may elect to have coinsurance applied in either of the following ways at the time of loss or damage:

- at the premises where the loss occurred; or
- based on the total value of all **personal property** at all premises where a Limit Of Insurance for Personal Property is shown in the Declarations.

If the application of coinsurance results in a penalty to you, at the time of loss adjustment, you may change the Loss Payment Basis from a replacement cost basis to an actual cash value basis, if such action will increase your loss payment and reduce the coinsurance penalty.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Property Insurance**Business Income With Extra Expense****Table Of Contents**

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CHUBB®

Business Income With Extra Expense

Contract

Words and phrases that appear in **bold print** have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Premises Coverages

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, direct physical loss or damage must:

- be caused by or result from a **covered peril**; and
- occur at, or within 1,000 feet of, the premises, other than a **dependent business premises**, shown in the Declarations.

Business Income And Extra Expense

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property**, unless otherwise stated.

This Premises Coverage applies only at those premises:

- where you incur a **business income** loss or **extra expense**; and
- for which a Limit Of Insurance for Business Income With Extra Expense is shown in the Declarations.

Contractual Penalties

We will pay for the contractual penalties you are legally liable to pay under the written provisions of a contract due to a material breach of that contract, not to exceed the applicable Limit Of Insurance for Contractual Penalties shown under Business Income in the Declarations.

This material breach of contract must be the direct result of direct physical loss or damage by a **covered peril** to **property**.

Fungus Clean-up Or Removal

We will pay for the actual:

- **business income** loss; and
- **extra expense**,

you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

This actual impairment of **operations** must be caused by or result from the presence of **fungus** at your premises shown in the Declarations.

Premises Coverages

Fungus Clean-up Or Removal (continued)

Coverage will begin immediately after the date the **fungus** first appeared and will end:

- 45 consecutive days after this coverage begins; or
- when your **business income** coverage ends,

whichever occurs first.

This Premises Coverage does not apply if the presence of **fungus**:

- A. is caused by or results from:
 - 1. a peril that is not a **covered peril**; or
 - 2. moisture, other than **water** or **flood**, if **flood** would be covered under this insurance;
- B. existed prior to the effective date shown in the Declarations;
- C. is not reported to us in writing as soon as possible after you first become aware, or in the exercise of reasonable care should have been aware, of the presence of **fungus**; or
- D. is at premises shown under Excluded Premises in the Declarations.

Ingress And Egress

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

when existing ingress to or egress from a premises shown in the Declarations is prevented due to direct physical loss or damage by a **covered peril** to property at a location contiguous to such premises.

This Premises Coverage will begin at the time of direct physical loss or damage and will continue until the expiration of thirty (30) consecutive days thereafter or whenever your **business income** coverage ends, whichever occurs first.

This Premises Coverage does not apply if the:

- direct physical loss or damage is caused by or results from earthquake or **flood**; or
- ingress to or egress from your premises is prohibited by civil authority.

The most we will pay for this Premises Coverage is the Limit Of Insurance for Ingress And Egress shown under Business Income in the Declarations.

New Product Delay

We will pay for the actual **business income** loss you incur and discover after lost or damaged **property** directly related to your **research and development operations** is repaired or replaced and your **research and development operations** are restored, with reasonable speed to the condition that would have existed if no direct physical loss or damage occurred.

Such payment will be made:

- only if you discover the **business income** loss within 24 months after the date of the direct physical loss or damage;
- only after the new product or the enhanced product is made available in the market-place; and



Business Income With Extra Expense

Premises Coverages

New Product Delay (continued)

- for the period equal to the length of time it originally took to restore such lost or damaged property with reasonable speed.

If a competitor introduces a similar product prior to the date you scheduled the introduction of your new or enhanced product, we will reduce the amount of such actual **business income** loss to the extent attributable to the competitor's product.

The **business income** loss must be caused by or result from direct physical loss or damage by a covered peril to property, and must result in a delay in the introduction of any new product or the enhancement of any existing product.

The most we will pay for New Product Delay is the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

Additional Coverages

The following Additional Coverages apply within the coverage territory.

Any Other Location

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown under Any Other Location in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a covered peril to property at unspecified premises.

This Additional Coverage does not apply to **business income** loss or **extra expense** you incur caused by or resulting from loss or damage to property:

- used by utility companies to supply you with services;
- used by on-line access providers;
- at a dependent business premises;
- at a newly acquired premises;
- at any exhibition, fair or trade show; or
- **in transit**.

This Additional Coverage applies only if a Limit Of Insurance for Business Income is shown under Any Other Location in the Declarations.

Civil Authority

We will pay for the actual:

- **business income** loss; or
- **extra expense**,

you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to:

- your premises; or

Additional Coverages

Civil Authority (continued)

- a **dependent business premises**,

by a civil authority.

This prohibition of access by a civil authority must be the direct result of direct physical loss or damage to property away from such premises or such **dependent business premises** by a **covered peril**, provided such property is within:

- one mile; or
- the applicable miles shown in the Declarations,

from such premises or **dependent business premises**, whichever is greater.

The most we will pay for Civil Authority is the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

The coverage for:

A. business income will begin:

1. after the applicable waiting period shown in the Declarations for Business Income expires; or
2. 24 normal business hours following the time the civil authority prohibits access, whichever is the longer.

The Waiting Period shown in the Declarations will begin immediately following the time the civil authority prohibits access.

The coverage will apply for a period of:

- up to 30 consecutive days after coverage begins; or
- when your **business income** loss ends,

whichever occurs first; and

B. extra expense will begin immediately after the time the civil authority prohibits access and will end:

1. 30 consecutive days after the coverage begins; or
2. whenever your **business income** coverage ends, whichever is later.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or flood.

Dependent Business Premises

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Dependent Business Premises shown under Business Income in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril to property or personal property of a dependent business premises** at a **dependent business premises**.

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Business Income With Extra Expense

Additional Coverages

**Dependent Business
Premises
(continued)**

You may purchase higher limits for specific **dependent business premises** only by showing such premises in the Declarations. Such higher limits apply to actual **business income** loss or **extra expense** only if the covered direct physical loss or damage occurs at such **dependent business premises**.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or flood.

**Exhibition, Fair Or Trade
Show**

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown under Exhibition, Fair Or Trade Show in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **personal property**, **electronic data processing property** or **fine arts** at, or while **in transit** to or from, any exhibition, fair or trade show.

This Additional Coverage applies only if a Limit Of Insurance for Business Income is shown under Exhibition, Fair Or Trade Show in the Declarations.

**International Air
Shipments**

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown under International Air Shipments in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **personal property**, **electronic data processing property**, **fine arts** or **valuable papers** being shipped by air to or from:

- the contiguous United States of America;
- Canada;
- the State of Alaska;
- the State of Hawaii;
- Puerto Rico; or
- territories or possessions of the United States of America or Canada,

and points worldwide. This Additional Coverage applies from the delivery of such property at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.

This Additional Coverage does not apply to any **business income** loss or **extra expense**:

- caused by or resulting from loss or damage to any property while being shipped by air to or from any exhibition, fair or trade show;

Additional Coverages

International Air Shipments (continued)

- caused by or resulting from loss or damage to shipments by mail;
- if you have purchased separate ocean marine insurance that covers any property while being shipped by air;
- if you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank; or
- payable under the In Transit Additional Coverage.

This Additional Coverage applies only if a Limit Of Insurance for Business Income is shown under International Air Shipments in the Declarations.

In Transit

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**, during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown under In Transit in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril to personal property, electronic data processing property, fine arts or valuable papers while in transit**.

This Additional Coverage does not apply to any **business income** loss or **extra expense**:

- caused by or resulting from loss or damage to any property while **in transit** to or from any exhibition, fair or trade show;
- when you are acting as a carrier for hire;
- if you have purchased separate ocean marine insurance which covers any property while **in transit**;
- caused by or resulting from loss or damage to shipments by mail, unless registered; or
- payable under the International Air Shipments Additional Coverage.

This Additional Coverage applies only if a Limit Of Insurance for Business Income is shown under In Transit in the Declarations.

Loss Of Utilities

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Loss Of Utilities shown under Business Income in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril to**:

- **building**;
- **personal property of a utility** located either inside or outside of a **building**; or
- **service property**.

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Business Income With Extra Expense

Additional Coverages

Loss Of Utilities
(continued)

excluding **overhead communication, transmission or distribution equipment**, necessary to supply your premises with:

- water supply;
- communication supply;
- power supply;
- natural gas supply;
- sewage treatment; or
- **on-line access**,

services.

We will pay such loss provided that the disruption of services:

- is not due to your failure to comply with the terms and conditions of any contract; and
- has been reported to the service provider.

We will not pay for the actual **business income** loss you incur until the:

- applicable waiting period shown in the Declarations for Business Income expires;
 - applicable waiting period shown in the Declarations for Loss Of Utilities expires; or
 - first 24 normal business hours following the direct physical loss or damage expires,
- whichever is the longer.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or **flood**.

**Newly Acquired
Premises**

We will pay for the actual:

- **business income** loss you incur due to the actual impairment of your **operations**; and
- **extra expense** you incur due to the actual or potential impairment of your **operations**,

during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Business Income shown in the Declarations under Newly Acquired Premises.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** at each newly acquired premises. This Additional Coverage applies until the first of the following occurs:

- you notify us of how you want Business Income With Extra Expense to apply to the newly acquired premises and we add such premises to this policy;
- 180 days pass from the date you acquire the premises; or
- this policy expires.

We will charge you additional premium from the date you acquire the premises, if we add such premises to this policy.

Additional Coverages

(continued)

Pollutant Clean-up Or Removal

We will pay for the actual **business income** loss you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Pollutant Clean-up Or Removal shown under Business Income in the Declarations.

This actual impairment of **operations** must be caused by or result from the enforcement of any ordinance or law that requires you to clean up or remove **pollutants** from land, water or air, either inside or outside of a **building**, as a result of direct physical loss or damage by a **covered peril** to **property** at the premises shown in the Declarations.

Preparation Of Loss Fees

We will pay the reasonable and necessary expenses and fees incurred following covered loss or damage to certify your **business income** loss or **extra expense**, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown under Business Income in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant or attorney; or
- of your subsidiaries or affiliates.

Limits Of Insurance

The most we will pay in any **occurrence** is the amount of loss, not to exceed the applicable Limit Of Insurance shown in the Declarations.

Automatic Increase In Limits

The Limits Of Insurance for Business Income With Extra Expense will automatically increase by the annual percentage shown in the Declarations under Automatic Increase In Limits. At the time of loss or damage, the amount of increase will be determined by multiplying the applicable Limit Of Insurance shown in the Declarations by the percentage of the annual increase, applied on a pro rata basis.

This Automatic Increase In Limits:

- applies only to a premises shown in the Declarations for which the Automatic Increase in Limits is shown; and
- does not apply to any Limit Of Insurance applicable to more than one premises.

Waiting Period

Subject to the applicable Limit Of Insurance, we will pay the amount of **business income** loss that is incurred after the waiting period shown in the Declarations for each **occurrence**.

If a waiting period is shown in the Declarations, the waiting period begins immediately following the time of the covered direct physical loss or damage.

If two or more Business Income waiting periods apply to the same **occurrence**, only the largest single waiting period will apply, unless otherwise stated.

Hours shown for the waiting period are the normal business hours.

The waiting period does not apply to **extra expense**.



Business Income With Extra Expense

Loss Determination

In making any loss determination under this coverage, we may utilize relevant sources of information, including:

- your financial records and accounting procedures;
- bills, invoices and other vouchers;
- deeds, liens and contracts;
- status and feasibility reports; and
- budgeting and marketing records.

Business Income

The amount of **business income** loss will be determined based on the:

- net income of your business before the direct physical loss or damage occurred;
- the likely net income of your business if no loss or damage occurred, but not including any **business income** that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the covered loss on customers or on other businesses; and
- your continuing operating expenses, including your continuing normal payroll expenses, necessary to resume **operations** with the same quality of service that existed just before the direct physical loss or damage.

Extra Expense

The amount of **extra expense** loss will be determined based on necessary expenses that:

- exceed your normal operating expenses that would have been incurred by **operations** during the **period of restoration**, if no physical loss or damage had occurred; and
- reduce the **business income** loss that otherwise would have been incurred.

We will deduct from the total of such expenses:

- the salvage value that remains on any property bought for temporary use during the **period of restoration**, once **operations** are resumed; and
- any **extra expense** that is paid for by other insurance.

Resumption Or Continuance Of Operations

We will reduce the amount of any **business income** loss payment to the extent you can resume or continue your **operations**, in whole or in part, by using:

- damaged or undamaged property, including **merchandise** or **stock**; or
- any other available premises.

If you elect not to resume or continue **operations**:

- any loss determination for **business income** will be based on the length of time it would have taken to resume or continue **operations** with reasonable speed; and
- we will not make any payment for **extra expense**.

Loss Payment Option The following Loss Payment Option applies when a Monthly Limit of Indemnity under Business Income is shown in the Declarations:

Monthly Limit Of Indemnity

The most we will pay for the actual **business income** loss incurred in each period of 30 consecutive days after the beginning of the **period of restoration** will be determined by multiplying the Limit Of Insurance for Business Income With Extra Expense by the Monthly Limit Of Indemnity shown in the Declarations.

If all of the amount determined by this calculation is not used in the 30 day period, the unused portion may be applied to any subsequent 30 day periods.

This Monthly Limit Of Indemnity applies only for **business income** loss, not **extra expense**.

Loss Payment Limitations

Debris Removal

We will not pay for any **extra expense** you incur for the demolition or removal of debris, but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

Increase Of Loss Due To Death Or Injury

We will not pay for any **business income** loss or **extra expense** caused by or resulting from any injury, sickness, disease, death, emotional injury, emotional distress or humiliation of any person.

Increase Of Loss Due To Strikers Or Others Causing A Delay

We will not pay for any increase of loss caused by or resulting from delay in repairing or replacing property or resuming your **operations**, due to interference at the location of the repair, replacement or **operations** by strikers or other persons.

Loss Or Damage To Electronic Data

We will not pay for any **business income** loss or **extra expense** you incur caused by or resulting from direct physical loss or damage to **electronic data**, unless such direct physical loss or damage is caused by or results from:

- aircraft;
- explosion;
- earthquake, (except California) to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- falling objects;
- fire;
- **flood**, to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- freezing;
- leakage from fire protection equipment;
- lightning;
- riot or civil commotion;
- **sinkhole collapse**;
- smoke;

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Business Income With Extra Expense

***Loss Payment
Limitations***

***Loss Or Damage To
Electronic Data
(continued)***

- vehicles;
- weight of snow; or
- windstorm or hail.

***Loss Or Damage To
Finished Stock***

We will not pay for that part of any **business income** loss to **finished stock**.

***Loss Or Damage To
Property Used To
Provide Utility Services***

Except as provided for in the Loss of Utilities Additional Coverage, we will not pay for any **business income** loss or **extra expense** caused by or resulting from loss or damage to:

- **building;**
- **personal property of a utility** located either inside or outside of a **building;** or
- **service property,**

used by you or a utility to provide you with utility services.

***Loss Or Damage To
Water***

We will not pay for any **business income** loss or **extra expense** you incur for loss or damage to water.

Nuclear Hazard

We will not pay for any **business income** loss or **extra expense** you incur for loss or damage to **building** or **personal property** caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination.

***Pollutant Clean-up Or
Removal***

We will not pay for any **extra expense** you incur for:

- clean up or removal of **pollutants** from land, water or air, either inside or outside of a **building;** or
- testing for, monitoring, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants,**

but we will pay for such **extra expense** you incur to the extent it reduces the amount of a covered **business income** loss that otherwise would have been payable under this contract.

***Conditions (Including
Coverage Territory)***

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any additional conditions are shown in the Additional Condition section of this contract.

Additional Condition**Business Income
Coinsurance**

Coinsurance applies to **business income** only when a coinsurance percentage under Business Income With Extra Expense is shown in the Declarations.

Coinsurance does not apply to:

- A. **extra expense;**
- B. any covered loss of \$100,000 or less;
- C. Contractual Penalties;
- D. Ingress And Egress;
- E. New Product Delay; and
- F. the following Additional Coverages:
 - 1. Any Other Location;
 - 2. Dependent Business Premises when a Limit Of Insurance for a specific Dependent Business Premises has not been purchased;
 - 3. Exhibition, Fair Or Trade Show;
 - 4. International Air Shipments;
 - 5. In Transit;
 - 6. Loss Of Utilities;
 - 7. Newly Acquired Premises;
 - 8. Pollutant Clean-up Or Removal; and
 - 9. Preparation Of Loss Fees.

We will not pay the full amount of any **business income** loss if the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations is less than:

- A. the applicable coinsurance percentage under Business Income With Extra Expense shown in the Declarations multiplied by:
- B. the sum of:
 - 1. net income (net profit or loss before income taxes); and
 - 2. operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy (whichever is later).

Instead, our maximum **business income** loss payment will be determined as follows:

- A. multiply the net income and operating expenses that would have been earned or incurred (had no loss occurred) by you in your **operations** for the 12 months following the effective date, or last previous anniversary date, of this policy by the applicable coinsurance percentage under Business Income With Extra Expense in the Declarations;
- B. divide the applicable Limit Of Insurance for Business Income With Extra Expense by the figure determined in step A;
- C. multiply the total amount of the covered loss by the figure determined in step B; and
- D. subtract the applicable waiting period, if any, from the amount determined by step C.

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Business Income With Extra Expense

Additional Condition

***Business Income
Coinsurance
(continued)***

The amount determined in step D. is the most we will pay, not to exceed the applicable Limit Of Insurance for Business Income With Extra Expense shown in the Declarations.

In determining operating expenses for the purpose of applying coinsurance, the following expenses, if incurred, shall be deducted from the total of all operating expenses:

- prepaid freight - outgoing;
- returns and allowances;
- discounts;
- bad debts;
- collection expenses;
- cost of raw stock and factory supplies consumed (including transportation charges);
- cost of merchandise sold (including transportation charges);
- cost of other supplies consumed (including transportation charges);
- cost of services purchased from outsiders (not employees) that do not continue under contract;
- power, heat and refrigeration expenses that do not continue under contract if endorsement form 80-02-1337 is attached; and
- all ordinary payroll expense or the amount of payroll expense excluded if endorsement form 80-02-1341 is attached.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Property Insurance**Electronic Data Processing Property****Table Of Contents**

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Electronic Data Processing Property

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Premises Coverages

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, the loss or damage must:

- be caused by or result from a **technology peril**; and
- occur at, or within 1,000 feet of, the premises shown in the Declarations.

Electronic Data Processing Property

We will pay for direct physical loss or damage to **electronic data processing property** caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;**
- **electronic data;**
- **mobile communication property; or**
- **communication property;**

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data;
- Mobile Communication Property; or
- Communication Property,

shown in the Declarations will apply.

Public Safety Service Charges

We will pay the charges you:

- assume under any contract or agreement; or
- are required to pay by local ordinance,

in effect at the time of the direct physical loss or damage, if a fire department or other municipal agency charged with preserving public safety is called to save or protect **electronic data processing property** from direct physical loss or damage caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

Premises Coverages
(continued)

Removal

We will pay for direct physical loss or damage to **electronic data processing property** while:

- being moved to another location or returned from such location to its original location; or
- temporarily stored at another location,

if you must move the **electronic data processing property** from such location to preserve it from imminent loss or damage caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data;
- Communication Property; or
- Electronic Data Processing Property,

shown in the Declarations.

Additional Coverages

The following Additional Coverages apply within the coverage territory.

Any Other Location

We will pay for direct physical loss or damage caused by or resulting from a **technology peril** to:

- **electronic data processing equipment;**
- **electronic data;** or
- **communication property,**

at unspecified premises, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under Any Other Location in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;**
- **electronic data;** or
- **communication property,**

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment;
- Electronic Data; or
- Communication Property,

shown under Any Other Location in the Declarations will apply.

This Additional Coverage does not apply to **electronic data processing property**:

- while at any exhibition, fair or trade show;
- at any newly acquired premises; or
- while in transit.

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Electronic Data Processing Property

Additional Coverages

**Any Other Location
(continued)**

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under Any Other Location in the Declarations.

**Exhibition, Fair Or Trade
Show**

We will pay for direct physical loss or damage to:

- **electronic data processing equipment;** or
- **electronic data,**

caused by or resulting from a **technology peril** while:

- **in transit** to or from any exhibition, fair or trade show; or
- **at any exhibition, fair or trade show,**

not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under Exhibition, Fair Or Trade Show in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;** or
- **electronic data,**

then the applicable Limit Of Insurance for:

- **Electronic Data Processing Equipment;** or
- **Electronic Data,**

shown under Exhibition, Fair Or Trade Show in the Declarations will apply.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under Exhibition, Fair Or Trade show in the Declarations.

**Fire Protection
Equipment**

We will pay the cost you incur to refill your discharged fire protection equipment whether or not there is direct physical loss or damage to your **electronic data processing property**.

This Additional Coverage is provided regardless of whether a Limit Of Insurance is shown in the Declarations.

In Transit

We will pay for direct physical loss or damage to:

- **electronic data processing equipment;** or
- **electronic data,**

while **in transit** caused by or resulting from a **technology peril**, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under In Transit in the Declarations.

If you purchase additional, separate Limits Of Insurance for:

- **electronic data processing equipment;** or
- **electronic data,**

then the applicable Limit Of Insurance for:

- **Electronic Data Processing Equipment;** or

Additional Coverages

In Transit (continued)

- Electronic Data,
shown under In Transit in the Declarations will apply.

This Additional Coverage does not apply:

- to **electronic data processing property while in transit** to or from any exhibition, fair or trade show;
- when you are acting as a carrier for hire;
- if you have purchased separate ocean marine insurance which covers **electronic data processing property while in transit**; or
- to shipments by mail, unless registered.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under In Transit in the Declarations.

International Air Shipments

We will pay for direct physical loss or damage to:

- **electronic data processing equipment**; or
- **electronic data**,

caused by or resulting from a **technology peril** while being shipped by air to or from:

- the contiguous United States of America;
- Canada;
- the State of Alaska;
- the State of Hawaii;
- Puerto Rico; or
- territories or possessions of the United States of America or Canada,

and points worldwide, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Property shown under International Air Shipments in the Declarations.

If you purchase additional, separate Limits of Insurance for:

- **electronic data processing equipment**; or
- **electronic data**,

then the applicable Limit Of Insurance for:

- Electronic Data Processing Equipment; or
- Electronic Data,

shown under International Air Shipments in the Declarations will apply.

This Additional Coverage applies from the delivery of **electronic data processing equipment** or **electronic data** at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.

This Additional Coverage does not apply:

- to **electronic data processing property** while being shipped to or from any exhibition, fair or trade show;



Electronic Data Processing Property

Additional Coverages

International Air Shipments (continued)

- to **electronic data processing property** being shipped by mail;
- if you have purchased separate ocean marine insurance which covers **electronic data processing property** while being shipped by air;
- if you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank; or
- to any loss or damage to **electronic data processing property** payable under the Additional Coverage for In Transit.

This Additional Coverage applies only if an applicable Limit Of Insurance for Electronic Data Processing Property is shown under International Air Shipments in the Declarations.

Mobile Communication Property

We will pay for direct physical loss or damage to **mobile communication property** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Mobile Communication Property shown in the Declarations.

This Additional Coverage does not apply to **mobile communication property** at, or within 1,000 feet of, the premises shown in the Declarations.

Newly Acquired Electronic Data At Newly Acquired Premises

We will pay for direct physical loss or damage to **electronic data** at newly acquired premises caused by or resulting from a **technology peril**, not to exceed the Limit Of Insurance for Electronic Data shown in the Declarations under Newly Acquired Premises or Newly Acquired or Constructed Property.

This Additional Coverage applies until the first of the following occurs:

- you report the value of the **electronic data** at the newly acquired premises to us and we add such **electronic data** to this policy;
- 180 days pass from the date you acquire the premises; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the premises, if we add such **electronic data** to this policy.

Newly Acquired Electronic Data Processing Equipment And Communications Property

We will pay for direct physical loss or damage to newly acquired:

- **electronic data processing equipment**; or
- **communication property**.

at:

- the premises shown in the Declarations; or
- newly acquired premises,

caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Electronic Data Processing Equipment or Communication Property shown in the:

- Supplementary Declarations under Newly Acquired Premises or Newly Acquired Or Constructed Property; or

Additional Coverages

Newly Acquired Electronic Data Processing Equipment And Communications Property (continued)

- Declarations under Newly Acquired.

This Additional Coverage applies until the first of the following occurs:

- you report the value of the newly acquired **electronic data processing equipment or communication property** to us and we add such **electronic data processing equipment or communication property** to this policy;
- 180 days pass from the date you acquire the **electronic data processing equipment or communication property**; or

this policy expires.

We will charge you additional premium for the reported values from the date you acquire the **electronic data processing equipment or communication property**, if we add such **electronic data processing equipment or communication property** to this policy.

Preparation Of Loss Fees

We will pay the reasonable and necessary expenses we require you to incur after covered direct physical loss or damage to **electronic data processing property** to determine the extent of such loss or damage, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant or attorney; or
- of your subsidiaries or affiliates.

Debris Removal Coverage

The following Debris Removal Coverage applies.

Debris Removal

We will pay for the costs you incur to remove debris of damaged **electronic data processing equipment or communication property** caused by or resulting from a peril not otherwise excluded that occurs during the policy period.

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to the **electronic data processing equipment or communication property**.

Debris removal does not apply to costs to:

- clean up or remove **pollutants** from land, water or air;
- clean up, remove, restore, or replace property because of the presence of **fungus**; or
- clean up, remove, restore or replace polluted land, water or air,

either inside or outside of a building.

This Debris Removal Additional Coverage is provided regardless of whether a Limit Of Insurance for Debris Removal is shown in the Declarations.

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Electronic Data Processing Property

Policy Exclusions

The following Policy Exclusions apply to all the coverages in this contract:

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a **technology peril**.

Business Errors

This insurance does not apply to loss or damage to **electronic data processing property** caused by or resulting from errors in the:

- altering;
- calibrating;
- constructing;
- developing;
- distributing;
- installing;
- manufacturing;
- maintaining;
- processing;
- repairing;
- researching; or
- testing.

of that **electronic data processing property**.

This Business Errors exclusion does not apply to:

- loss or damage that results to other covered property; or
- ensuing loss or damage caused by or resulting from a **technology peril**.

Fungus

This insurance does not apply to loss or damage:

- which is **fungus**;
- which is in anyway attributed to the presence of **fungus**; or
- caused by or resulting from **fungus**,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such cause or event would otherwise be covered.

Policy Exclusions

Fungus (continued)

This Fungus exclusion does not apply when the presence of **fungus** results from:

- explosion;
- fire;
- leakage from fire protection equipment; or
- lightning.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehouseman for hire, other than:
 - 1. you, your partners, directors, trustees and employees;
 - 2. anyone performing acts coming within the scope of the usual duties of your employees; or
 - 3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a **technology peril**.

Earthquake

This insurance does not apply to loss or damage caused by or resulting from earthquake, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Earthquake exclusion:

- applies only in the state of California, unless otherwise stated; and
- does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Errors In Systems Programming

This insurance does not apply to loss or damage caused by or resulting from:

- A. errors or omissions in the development of, programming of, or instructions to:
 - 1. **electronic data processing property**; or
 - 2. a machine; or
- B. **electronic data** which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.



Electronic Data Processing Property

Policy Exclusions (continued)

Governmental Or Military Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Governmental Or Military Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental or military authority:

- A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or
- B. if the act of destruction is made necessary by direct physical loss or damage to:
 1. **electronic data processing property while in transit**; or
 2. a conveyance in or on which **electronic data processing property while in transit** is loaded,

caused by or resulting from a **technology peril**.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Nuclear Hazard exclusion does not apply to ensuing loss or damage to **electronic data processing property** caused by or resulting from fire, if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations.

This Planning, Design, Materials Or Maintenance exclusion does not apply to ensuing loss or damage caused by or resulting from a **technology peril**.

Policy Exclusions

(continued)

Utility Supply Failure

This insurance does not apply to loss or damage caused by or resulting from suspension or reduction of:

- water services;
- electric or other power services;
- natural gas or other fuel services; or
- Internet or other communication services,

regardless of any other cause or event that:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Utility Supply Failure exclusion does not apply:

- if the suspension or reduction of such services is the direct result of direct physical loss or damage caused by or resulting from a **technology peril**; or
- to ensuing loss or damage caused by or resulting from a **specified peril**.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear And Tear exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril** or **water**.

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Electronic Data Processing Property

Limits Of Insurance

The most we will pay in any **occurrence** is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverages is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

Deductible

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each **occurrence**.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

The following Loss Payment Basis provisions apply to all coverages contained within this contract, unless otherwise stated.

Subject to the applicable Limit Of Insurance shown in the Declarations:

- A. covered property is valued on a replacement cost basis as described below, unless:
 - 1. the Loss Payment Basis shown in the Declarations is Actual Cash Value; or
 - 2. otherwise stated under Loss Payment Basis Exceptions; and
- B. valuation also includes, for **electronic data processing equipment or communication property**, costs you incur as described below under Ordinance or Law and Extended Warranties.

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged covered property;
- pay the cost of repairing or replacing the lost or damaged covered property plus any reduction in value of the repaired item;
- take all or any part of the covered property at an agreed or appraised value; or
- repair or replace the covered property with other such property of comparable material and quality for the same use or occupancy.

Replacement Cost Basis

Lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage, but not more than you actually spend to repair or replace such property at the same or another location for the same use or occupancy. There is no deduction for physical deterioration or depreciation.

If you replace the lost or damaged **electronic data processing property**, the valuation will include customs duties incurred.

If you do not repair or replace the covered property, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged covered property within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the lesser of the:

- replacement cost at the time of loss or damage; or

Loss Payment Basis**Replacement Cost Basis**
(continued)

- actual costs you incur to repair or replace.

Payment under the Replacement Cost Basis will not be made until the completion of the repairs or the replacement of the covered property.

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is Actual Cash Value, lost or damaged covered property will be valued at the cost to repair or replace such property at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration;
- physical depreciation;
- obsolescence; and
- depletion.

Ordinance Or Law

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of **electronic data processing equipment or communication property**, and if that ordinance or law affects the repair or replacement of the lost or damaged **electronic data processing equipment or communication property** and if you:

- A. repair or replace the **electronic data processing equipment or communication property** as soon as reasonably possible, the valuation will include:
 1. a. the replacement cost of the damaged and undamaged portions of the **electronic data processing equipment or communication property**; or
 - b. the actual cash value of the damaged and undamaged portions of the **electronic data processing equipment or communication property** (if the applicable Loss Payment Basis shown in the Declarations is Actual Cash Value);
 2. the costs to demolish and clear the site of the undamaged portion of the **electronic data processing equipment or communication property**; and
 3. the increased cost to repair or replace **electronic data processing equipment or communication property** to the same general size at the same site and for the same general use, to the minimum standards of such ordinance or law, except we will not include any costs:
 - a. incurred outside the legal property boundary of the premises shown in the Declarations;
 - b. if **electronic data processing equipment or communication property** is valued on an actual cash value basis; or
 - c. attributable to any ordinance or law that you were required to, but failed to, comply with before the loss; or
- B. do not repair or replace the **electronic data processing equipment or communication property**, the valuation will include:
 1. the actual cash value of the damaged and undamaged portions of the **electronic data processing equipment or communication property**; and
 2. the cost to demolish and clear the site of the undamaged portion of the **electronic data processing equipment or communication property**.



Electronic Data Processing Property

Loss Payment Basis

Ordinance Or Law (continued)

When direct physical loss or damage is caused by or results from both:

- a **technology peril**; and
- an excluded peril,

the valuation will not include the Ordinance Or Law costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including Ordinance Or Law costs, unless the Ordinance Or Law applies solely to that portion of the **electronic data processing equipment or communication property** which suffered the covered direct physical loss or damage.

This Ordinance Or Law Loss Payment Basis does not apply to:

- any increase in costs, loss or damage associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus or pollutants**; or
- loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

If a maximum value for ordinance or law is shown in the Declarations, then, subject to the applicable Limit Of Insurance shown in the Declarations, such maximum value is the most we will consider under Ordinance Or Law.

Extended Warranties

Electronic data processing equipment or communication property valuation includes the pro rata portion of the original cost based on the period of time remaining in your nonrefundable extended warranties, maintenance contracts or service contracts that you purchased and which are no longer valid on lost or damaged **electronic data processing equipment or communication property** that you repair or replace.

Loss Payment Basis Exceptions

Electronic Data

Electronic data is valued on the full cost of replacement or reproduction at the time of direct physical loss or damage when the **electronic data** is actually replaced or reproduced.

If the **electronic data** is not replaced or reproduced, the value is based on the cost of replacing **blank media**.

**Loss Payment Basis
Exceptions**
(continued)

Nuclear Hazard

Electronic data processing property which suffers direct physical loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination, is valued on an actual cash value basis, subject to all other exceptions described under Loss Payment Basis Exceptions.

**Electronic Data
Processing Property Not
Owned By You**

Electronic data processing property not owned by you is valued on the same basis as your **electronic data processing property**, subject to all other exceptions described under Loss Payment Basis Exceptions, but we will not pay more than the amount for which you are contractually liable.

Labor, materials and services that you furnish or arrange on **electronic data processing property** not owned by you is valued based on the actual cost of the labor, materials and services.

**Loss Payment
Limitations**

Loss Of Market

We will not pay for any loss or damage that results from loss of market, loss of use or delay.

**Conditions (Including
Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Property Insurance**Extra Expense****Table Of Contents**

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CHUBB®**Extra Expense****Contract**

Words and phrases that appear in **bold print** have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Premises Coverages

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, direct physical loss or damage must:

- be caused by or result from a **covered peril**; and
- occur at, or within 1,000 feet of, the premises, other than a **dependent business premises**, shown in the Declarations.

Extra Expense

We will pay for the actual **extra expense** you incur due to the actual or potential impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Extra Expense shown in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** unless otherwise stated.

This Premises Coverage applies only at those premises:

- where you incur an **extra expense** loss; and
- for which a Limit Of Insurance for Extra Expense is shown in the Declarations.

Fungus Clean-up Or Removal

We will pay for the actual **extra expense** you incur due to the actual impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance For Extra Expense shown in the Declarations.

This actual impairment of **operations** must be caused by or result from the presence of **fungus** at your premises shown in the Declarations.

Coverage will begin immediately after the date the **fungus** first appeared and will end:

- 45 consecutive days after this coverage begins; or
- when your impairment of **operations** ends,

whichever occurs first.

This Premises Coverage does not apply if the presence of **fungus**:

- A. is caused by or results from:
 1. a peril that is not a **covered peril**; or
 2. moisture, other than **water** or **flood**, if **flood** would be covered under this insurance;
- B. existed prior to the effective date shown in the Declarations;

Premises Coverages

Fungus Clean-up Or Removal (continued)

- C. is not reported to us in writing as soon as possible after you first become aware, or in the exercise of reasonable care should have been aware, of the presence of **fungus**; or
- D. is at premises shown under Excluded Premises in the Declarations.

Additional Coverages

The following Additional Coverages apply within the coverage territory.

Civil Authority

We will pay for the actual **extra expense** you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to:

- your premises; or
- a **dependent business premises**.

by a civil authority.

This prohibition of access by a civil authority must be the direct result of direct physical loss or damage to property away from such premises or such **dependent business premises** by a **covered peril**, provided such property is within:

- one mile; or
- the applicable miles shown in the Declarations,

from such premises or **dependent business premises**, whichever is greater.

The most we will pay for Civil Authority is the applicable Limit Of Insurance for Extra Expense shown in the Declarations.

The coverage will begin immediately after the time the civil authority prohibits access and will end:

- 30 consecutive days after the coverage begins; or
- whenever your **extra expense** is no longer required,

whichever occurs first.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or **flood**.

Dependent Business Premises

We will pay for the actual **extra expense** you incur due to the actual or potential impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit Of Insurance for Dependent Business Premises shown under Extra Expense in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** or **personal property of a dependent business premises** at a **dependent business premises** shown in the Declarations.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or **flood**.

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Extra Expense

Additional Coverages
(continued)

Loss Of Utilities

We will pay for the actual **extra expense** you incur due to the actual or potential impairment of your **operations**, not to exceed the applicable Limit of Insurance for Loss Of Utilities shown under Extra Expense in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to:

- **building;**
- **personal property of a utility** located either inside or outside of a **building**; or
- **service property.**

excluding **overhead communication, transmission or distribution equipment**, necessary to supply your premises with:

- water supply;
- communication supply;
- power supply;
- natural gas supply;
- sewage treatment; or
- **on-line access,**

services.

We will pay such loss provided that the disruption of services:

- is not due to your failure to comply with the terms and conditions of any contract; and
- has been reported to the service provider.

This Additional Coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or **flood**.

Limits Of Insurance

The most we will pay in any **occurrence** is the amount of loss, not to exceed the applicable Limit Of Insurance shown in the Declarations.

Loss Determination

In making any loss determination under this coverage, we will utilize relevant sources of information, including:

- your financial records and accounting procedures;
- bills, invoices and other vouchers;
- deeds, liens and contracts;
- written agreements evidencing grants, endowments, or other financial contributions;
- status and feasibility reports; and
- budgeting and marketing records.

Loss Determination

(continued)

Extra Expense

The amount of **extra expense** loss will be determined based on necessary expenses that exceed your normal operating expenses that would have been incurred by **operations** during the **period of restoration**, if no physical loss or damage had occurred.

We will deduct from the total of such expenses:

- the salvage value that remains of any property bought for temporary use during the **period of restoration**, once **operations** are resumed; and
- any **extra expense** that is paid for by other insurance.

**Resumption Or
Continuance Of
Operations**

If you elect not to resume or continue **operations**, we will not make any payment for **extra expense**.

**Loss Payment
Limitations****Debris Removal**

We will not pay for any **extra expense** you incur for the demolition or removal of debris.

**Increase Of Loss Due To
Death Or Injury**

We will not pay for any **extra expense** you incur caused by or resulting from any injury, sickness, disease, death, emotional injury, emotional distress or humiliation of any person.

**Increase Of Loss Due To
Strikers Or Others
Causing A Delay**

We will not pay for any increase of loss caused by or resulting from delay in repairing or replacing property or resuming your **operations**, due to interference at the location of the repair, replacement or **operations** by strikers or other persons.

**Loss Or Damage To
Electronic Data**

We will not pay for any **extra expense** you incur caused by or resulting from direct physical loss or damage to **electronic data**, unless such direct physical loss or damage is caused by or results from:

- aircraft;
- explosion;
- earthquake, (except California) to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- falling objects;
- fire;
- flood, to the extent covered under the Electronic Data Processing Property contract which is part of this policy;
- freezing;
- leakage from fire protection equipment;
- lightning;

CHUBB®

Extra Expense

**Loss Payment
Limitations**

**Loss Or Damage To
Electronic Data
(continued)**

- riot or civil commotion;
- **sinkhole collapse;**
- smoke;
- vehicles;
- weight of snow; or
- windstorm or hail.

**Loss Or Damage To
Property Used To
Provide Utility Services**

Except as provided for in the Loss Of Utilities Additional Coverage, we will not pay for any **extra expense** caused by or resulting from loss or damage to:

- **building;**
- **personal property of a utility** located either inside or outside of a **building;** or
- **service property,**

used by you or a utility or provide you with utility services.

**Loss Or Damage To
Water**

We will not pay for any **extra expense** you incur for loss or damage to water.

Nuclear Hazard

We will not pay for any **extra expense** you incur for loss or damage to **building or personal property** caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination.

**Pollutant Clean-up Or
Removal**

We will not pay for any **extra expense** caused by or resulting from the:

- clean up or removal of **pollutants** from any land, water or air, either inside or outside of a **building;** or
- testing for, monitoring, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants.**

**Conditions (Including
Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Property Insurance

**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

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**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy.

Throughout this contract, the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Premises Coverages

The following Premises Coverages apply only at those premises for which a Limit Of Insurance applicable to such coverages is shown in the Declarations.

Except as otherwise provided, the loss or damage must:

- be caused by or result from a peril not otherwise excluded; and
- occur at, or within 1,000 feet of, the premises shown in the Declarations.

Accounts Receivable

We will pay for the **accounts receivable** loss you incur caused by or resulting from direct physical loss or damage to your **accounts receivable records** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Accounts Receivable shown in the Declarations.

Fine Arts

We will pay for direct physical loss or damage to **fine arts** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fine Arts shown in the Declarations.

**Money And Securities -
On Premises**

We will pay for direct physical loss or damage to **money** or **securities** caused by or resulting from a peril not otherwise excluded **on premises**, not to exceed the applicable Limit Of Insurance for Money And Securities On Premises shown in the Declarations.

**Public Safety Service
Charges**

We will pay the charges you:

- assume under any contract or agreement; or
- are required to pay by local ordinance,

in effect at the time of the direct physical loss or damage, if a fire department or other municipal agency charged with preserving public safety is called to save or protect your property from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Public Safety Service Charges shown in the Declarations.

Removal

We will pay for:

- the **accounts receivable** loss you incur caused by or resulting from direct physical loss or damage to your **accounts receivable records**; or

Premises Coverages

Removal (continued)

- direct physical loss or damage to **fine arts** or **valuable papers**, while:
- being moved to another location or returned from such location to its original location; or
- temporarily stored at another location,

if you must move the **accounts receivable records**, **fine arts** or **valuable papers** from such location to preserve such property from imminent loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Accounts Receivable, Fine Arts, or Valuable Papers shown in the Declarations.

Valuable Papers

We will pay for direct physical loss or damage to **valuable papers** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Valuable Papers shown in the Declarations.

Additional Coverages

The following Additional Coverages apply within the coverage territory.

Any Other Location

We will pay for:

- the **accounts receivable** loss you incur caused by or resulting from direct physical loss or damage to your **accounts receivable records** at unspecified premises caused by or resulting from a peril not otherwise excluded; or
- direct physical loss or damage to **fine arts** or **valuable papers** at unspecified premises caused by or resulting from a peril not otherwise excluded,

not to exceed the applicable Limit Of Insurance for Accounts Receivable, Fine Arts or Valuable Papers shown under Any Other Location in the Declarations.

Exhibition, Fair Or Trade Show

We will pay for direct physical loss or damage to **fine arts** at any exhibition fair or trade show caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fine Arts shown under Exhibition, Fair Or Trade Show in the Declarations.

In Transit

We will pay for:

- the **accounts receivable** loss you incur caused by or resulting from direct physical loss or damage to your **accounts receivable records** while **in transit** caused by or resulting from a peril not otherwise excluded; or
- direct physical loss or damage to **fine arts** or **valuable papers** while **in transit** caused by or resulting from a peril not otherwise excluded,

not to exceed the applicable Limit Of Insurance for Accounts Receivable, Fine Arts or Valuable Papers shown under In Transit in the Declarations.

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**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

Additional Coverages
(continued)

**Money And Securities -
Off Premises**

We will pay for direct physical loss or damage to **money** or **securities** caused by or resulting from a peril not otherwise excluded **off premises**, not to exceed the applicable Limit Of Insurance for Money And Securities Off Premises shown in the Declarations.

Newly Acquired Fine Arts

We will pay for direct physical loss or damage to newly acquired **fine arts** at the premises shown in the Declarations or at newly acquired premises caused by or resulting from a peril not otherwise excluded, not to exceed the Limit Of Insurance for Fine Arts shown in the Declarations under Newly Acquired Premises or Newly Acquired or Constructed Property.

This Additional Coverage applies until the first of the following occurs:

- you report the value of the newly acquired **fine arts** at the premises shown in the Declarations or at the newly acquired premises to us and we add such **fine arts** or premises to this policy;
- 180 days pass from the date you acquire the **fine arts**; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire:

- the **fine arts**; or
- the premises,

if we add such **fine arts** or premises to this policy.

**Preparation Of Loss
Fees**

We will pay the reasonable and necessary expenses we require you to incur after covered direct physical loss or damage to:

- **accounts receivable records**;
- **fine arts**; or
- **valuable papers**.

to determine the extent of such loss or damage, not to exceed the applicable Limit Of Insurance for Preparation Of Loss Fees shown in the Declarations.

This Additional Coverage does not apply to any expenses you incur for any:

- insurance adjuster, consultant or attorney; or
- of your subsidiaries or affiliates.

Debris Removal Coverage

The following Debris Removal Coverage applies.

Debris Removal

- A. We will pay for the costs you incur to remove debris of damaged **accounts receivable records, fine arts or valuable papers** caused by or resulting from a peril not otherwise excluded that occurs during the policy period.
- B. The most we will pay for debris removal is the lesser of:
1. 25% of the covered direct physical loss or damage; or
 2. the remaining applicable Limit Of Insurance for Accounts Receivable, Fine Arts or Valuable Papers shown in the Declarations, after payment of the covered direct physical loss or damage.
- C. If the amount in B. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit Of Insurance shown under Debris Removal in the Declarations.
- D. Debris removal will be paid only if:
1. reported to us in writing within 180 days of the date of the direct loss or damage to the **accounts receivable records, fine arts or valuable papers**; or
 2. a Limit Of Insurance applicable to the damaged **accounts receivable records, fine arts or valuable papers** is shown in the Declarations.
- E. Debris removal does not apply to costs to:
1. clean up or remove **pollutants** from land, water or air;
 2. clean up, remove, restore or replace covered **accounts receivable records, fine arts or valuable papers** because of the presence of **fungus**; or
 3. clean up, remove, restore or replace polluted land, water or air, either inside or outside of a **building**.

Policy Exclusions

The following Policy Exclusions apply to all the coverages in this contract.

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

- A. acts of vandalism;

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**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

Policy Exclusions

**Dishonesty
(continued)**

- B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehouseman for hire, other than:
1. you, your partners, directors, trustees and employees;
 2. anyone performing acts coming within the scope of the usual duties of your employees; or
 3. anyone authorized to act for you; or
- C. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

**Governmental Or Military
Action**

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Governmental Or Military Action exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental or military authority:

- A. when taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance; or
- B. if the act of destruction is made necessary by direct physical loss or damage to:
1. **accounts receivable records, fine arts or valuable papers while in transit;** or
 2. a conveyance in or on which **accounts receivable records, fine arts or valuable papers while in transit** is loaded,
- caused by or resulting from a peril not otherwise excluded.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Nuclear Hazard exclusion does not apply to ensuing loss or damage to **accounts receivable records, fine arts, money or securities or valuable papers** caused by or resulting from fire, if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

Policy Exclusions

(continued)

**Planning, Design,
Materials Or
Maintenance**

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations.

This Planning, Design, Materials Or Maintenance exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or deterioration.

This Wear And Tear exclusion does not apply to:

- **money and securities;** or
- ensuing loss or damage caused by or resulting from a **specified peril or water.**

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***Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers***

***Accounts Receivable
Exclusions***

The following Accounts Receivable Exclusions apply solely to **accounts receivable records**:

Audit

This insurance does not apply to loss or damage disclosed by an audit or inventory count. In the event the loss or damage is established by independent means, you may use an audit or inventory count to support your claim for that loss.

Bookkeeping

This insurance does not apply to bookkeeping, accounting or billing errors or omissions.

Fine Arts Exclusions

The following Fine Arts Exclusions apply solely to **fine arts**:

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of:

- insects;
- birds;
- rodents; or
- other animals.

This Insects Or Animals exclusion does not apply to ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

***Repair, Restoration Or
Retouching***

This insurance does not apply to loss or damage caused by or resulting from repair, restoration or retouching.

***Money And Securities
Exclusions***

The following Money And Securities Exclusions apply solely to **money and securities**:

Accounting

This insurance does not apply to accounting, mathematical or record-keeping errors.

Books And Records

This insurance does not apply to loss or damage to manuscripts, records, accounts, media, microfilm or tapes.

***Income, Interest Or
Dividends***

This insurance does not apply to loss of income, interest or dividends.

**Money And Securities
Exclusions**
(continued)

Expenses

This insurance does not apply to any fees, costs or expenses you incur or pay:

- in establishing the existence or the amount of any loss or damage; or
- in prosecuting or defending any legal proceeding or claim, whether or not any such proceeding results or would result in a loss or damage covered under this insurance.

**Fire To Property Of
Others**

This insurance does not apply to loss or damage caused by or resulting from fire to property of others that you hold as a pledge or as collateral.

Forgery

This insurance does not apply to loss or damage caused by or resulting from forgery.

**Kidnap/Ransom Or
Extortion**

This insurance does not apply to loss or damage caused by or resulting from kidnap/ransom or other extortion payments surrendered to any person as a result of a threat to do:

- bodily harm to any person; or
- damage to the premises or other property owned by you or held by you in any capacity.

This Kidnap/Ransom Or Extortion exclusion does not apply to **robbery of money or securities**.

Limits Of Insurance

The most we will pay in any **occurrence** is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations.

If any Premises Coverage or Additional Coverage appears in more than one contract which form a part of this policy, unless otherwise specified, the applicable Limit Of Insurance shown in the Declarations for such coverage is the most we will pay in any **occurrence**, regardless of the number of contracts in which such Premises Coverage or Additional Coverage appears.

Deductible

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each **occurrence**.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

Accounts Receivable

Accounts receivable loss payment will be determined as follows:

- A. when there is proof that a covered loss has occurred but you cannot accurately establish the amount of **accounts receivable** outstanding at the time of the loss, the amount of the loss will be based on your latest financial statements and will be computed as follows:
 1. determine the amount of all outstanding **accounts receivable** at the end of the same month in the year immediately preceding the year in which the loss occurred;

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**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

Loss Payment Basis

**Accounts Receivable
(continued)**

2. determine your total gross sales of goods and services for the 12-month period immediately preceding the month in which the loss occurred;
 3. determine your total gross sales of goods and services for the 12-month period immediately preceding the same month in the year immediately preceding the year in which the loss occurred;
 4. calculate the percentage increase or decrease of step 2 over step 3;
 5. the total amount of **accounts receivable** as of the last day of the month in which the loss occurs will be the amount determined in step 4; and
 6. the established monthly amount of **accounts receivable** will be adjusted for the normal fluctuation in the amount of **accounts receivable** in the month in which the loss occurs;
- B. we will deduct from the established total amount of **accounts receivable**:
1. the amount of any accounts evidenced by records not lost or damaged;
 2. any other amounts you are able to establish or collect; and
 3. an amount to allow for probable bad debts, returns, discounts and allowances which you normally would have been unable to collect;
- C. if you recover the amount of any **accounts receivable** that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any **accounts receivable** you recover in excess of the amount of the paid loss;
- D. you shall take reasonable measures to attempt the reproduction of **accounts receivable records** in an effort to mitigate your **accounts receivable** loss.

Fine Arts

Fine arts are valued based on **market value**.

Fine Arts Of Others

Fine arts not owned by you are valued on the same basis as your **fine arts**, subject to the Pair Or Set – Fine Arts Loss Payment Basis provision, but we will not pay more than the amount for which you are contractually liable.

Money

Money is valued based on:

- the face value of United States or Canadian currency if the loss involves United States or Canadian currency; or
- the United States dollar value of a foreign currency based on the free currency rate of exchange in effect on the day any loss involving foreign currency is discovered.

If the loss occurs before the **money** has been counted and recorded by you, the value of the **money** will not exceed the amount that is reasonably estimated and satisfactory to us.

Loss Payment Basis
(continued)

Pair Or Set - Fine Arts

In the event of loss or damage to **fine arts** that are part of a pair or set, at your option, we will either pay:

- the **market value** of the entire pair or set. You will return to us the remaining pieces;
- the cost to repair the lost or damaged pieces. You will keep the undamaged pieces. If the pair or set with the repaired pieces has a lower value than it had prior to the loss, we will also pay that difference. In no event will we pay more than the value that the pair or set had prior to the loss or damage; or
- the **market value** of the lost or damaged pieces prior to the loss or damage when the pieces cannot be found or repaired. You will keep the undamaged pieces. If the remaining pieces have a reduced value, we will pay the difference between the value of the remaining pieces prior to the loss or damage and after the loss or damage. In no event will we pay more than the value the pair or set had prior to the loss or damage.

Securities

Securities are valued based on the lesser of the following:

- the actual market value of the **securities** at the end of the last business day before the loss is discovered; or
- the actual cost of replacing the **securities** on the day loss payment is made.

Property of others that you hold as a pledge or as collateral for a loan is valued at:

- actual cash value at the time you made the loan; or
- the amount of the loan that remains unpaid at the time of loss, plus accrued interest on that amount at legal interest rates.

Valuable Papers

Valuable papers are valued based on the full cost of replacement or reproduction at the time of direct physical loss or damage when they are actually replaced or reproduced.

If **valuable papers** are not replaced or reproduced, the value is based on the cost of blank materials.

Valuable Papers Of Others

Valuable papers not owned by you are valued on the same basis as your **valuable papers**, but we will not pay more than the amount for which you are contractually liable.

Loss Payment Limitations

Electronic Data

We will not pay for loss or damage to **electronic data**, unless such direct loss or damage is caused by or results from:

- aircraft;
- earthquake, to the extent covered under this contract;
- explosion;

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**Accounts Receivable, Fine Arts, Money And Securities
And Valuable Papers**

**Loss Payment
Limitations**

**Electronic Data
(continued)**

- falling objects;
- fire;
- **flood**, to the extent covered under this contract;
- freezing;
- leakage from fire protection equipment;
- lightning;
- riot or civil commotion;
- **sinkhole collapse**;
- smoke;
- vehicles;
- weight of snow; or
- windstorm or hail.

**Payment Made By
Others (Money And
Securities)**

We will deduct from any payment we make for loss or damage to **money or securities** the amount you recover from:

- any contract you have with an armored vehicle company;
- insurance carried by an armored vehicle company; and
- insurance carried by others.

**Conditions (Including
Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy.

Property Insurance**Impairment Of Computer Services —
Malicious Programming****Table Of Contents**

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Impairment Of Computer Services — Malicious Programming

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Property/Business Income Conditions And Definitions form included in this policy and the Amended Definitions section of this contract.

Throughout this contract, the words, "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverages

Impairment Of Computer Services - Inside Attack

We will pay for the actual:

- **electronic data recovery costs;**
- **business income loss; and**
- **extra expense,**

you incur due to the actual impairment of your **operations** during the **period of recovery of computer service**, not to exceed the applicable Limit Of Insurance for Impairment Of Computer Services - Inside Attack shown in the Declarations.

This actual impairment of **operations** must be caused by or result from actual loss to **electronic data** or a **system** due to **malicious programming** by an **insider**, unless an exclusion applies.

Impairment Of Computer Services - Outside Attack

We will pay for the actual:

- **electronic data recovery costs;**
- **business income loss; and**
- **extra expense,**

you incur due to the actual impairment of your **operations** during the **period of recovery of computer service**, not to exceed the applicable Limit Of Insurance for Impairment Of Computer Services - Outside Attack shown in the Declarations.

This actual impairment of **operations** must be caused by or result from actual loss to **electronic data** or a **system** due to **malicious programming** by an **outsider**, unless an exclusion applies.

Policy Exclusions

The following Policy Exclusions apply to all coverages provided in this contract.

Dishonesty

This insurance does not apply to loss caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to **malicious programming** by an **insider**.

Policy Exclusions

(continued)

Governmental Or Military Action

This insurance does not apply to loss caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental or military authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss, even if such other cause or event would otherwise be covered.

Nuclear Hazard

This insurance does not apply to loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss, even if such other cause or event would otherwise be covered.

Random Or Multiple Attack

This insurance does not apply to loss caused by or resulting from any **malicious programming** which:

- is not specifically directed at a **system**;
- is designed or intended to affect more than one computer system or network; or
- actually affects more than one computer system or network.

This Random Or Multiple Attack exclusion does not apply to **malicious programming** by an **outsider**.

War And Military Action

This insurance does not apply to loss caused by or resulting from:

- war, including undeclared or civil war;
- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss, even if such other cause or event would otherwise be covered.

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Impairment Of Computer Services — Malicious Programming

Limits Of Insurance

Impairment Of Computer Services - Insider

The most we will pay in any occurrence for the sum of **electronic data recovery costs, business income loss and extra expense** due to **malicious programming** by an **insider**, is the Limit Of Insurance for Impairment Of Computer Services - Inside Attack shown in the Declarations.

Impairment Of Computer Services - Outsider

The most we will pay in any occurrence for the sum of **electronic data recovery costs, business income loss and extra expense** due to **malicious programming** by an **outsider**, is the Limit Of Insurance for Impairment Of Computer Services - Outside Attack shown in the Declarations.

Subject to the Limit Of Insurance for Impairment Of Computer Services - Outside Attack, the most we will pay for the sum of all **electronic data recovery costs, business income loss and extra expense** due to **malicious programming** by an **outsider** that occurs during each separate 12-month policy period, is the Aggregate Limit Of Insurance for Impairment Of Computer Services - Outside Attack shown in the Declarations.

Deductible

Subject to the applicable Limit Of Insurance, we will pay the amount of **electronic data recovery costs** in excess of the applicable deductible amount shown in the Declarations for each occurrence.

If two or more deductibles apply to the same **occurrence**, only the largest single deductible will apply, unless otherwise stated.

Loss Determination

In making any loss determination under this contract, we may utilize relevant sources of information, including:

- your financial records and accounting procedures;
- bills, invoices and other vouchers;
- deeds, liens and contracts;
- status and feasibility reports; and
- budgeting and marketing records.

Business Income

The amount of **business income** loss will be determined based on the:

- net income of your business before the **malicious programming** occurred;
- the likely net income of your business if no **malicious programming** occurred, but not including any **business income** that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the covered loss on customers or on other businesses; and
- your continuing operating expenses, including your continuing normal payroll expenses, necessary to resume operations with the same quality of service that existed just before the **malicious programming**.

Loss Determination
(continued)

Extra Expense

The amount of **extra expense** loss will be determined based on necessary expenses that:

- exceed your normal operating expenses that would have been incurred by **operations** during the **period of recovery of computer services**, if no **malicious programming** had occurred; and
- reduce the **business income** loss that otherwise would have been incurred.

We will deduct from the total of such expenses:

- the salvage value that remains of any property bought for temporary use during the **period of recovery of computer services**, once **operations** are resumed; and
- any **extra expense** that is paid for by other insurance.

**Resumption Or
Continuance Of
Operations**

We will reduce the amount of any **business income** loss payment to the extent you can resume or continue your **operations**, in whole or in part, by using any available **electronic data or system**, including the **electronic data or system** impacted by the **malicious programming**.

If you elect not to resume or continue **operations**:

- any loss determination for **business income** will be based on the length of time it would have taken to resume or continue **operations** with due diligence and dispatch; and
- we will not make any payment for **extra expense**.

**Loss Payment
Limitations**

**Contributing Physical
Loss Or Damage**

We will not pay for any **business income** loss or **extra expense** caused by or resulting from **malicious programming** if direct physical loss or damage:

- contributes concurrently to, or
 - contributes in any sequence to,
- such **business income** loss or **extra expense**.

Extortion

We will not pay that part of any **business income** loss or **extra expense** you incur to respond to extortion or other similar threat.

Loss Of Market

We will not pay for any loss that results from loss of market, loss of use or delay.

**Conditions (Including
Coverage Territory)**

The conditions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any additional conditions are contained in the Additional Condition section of this contract.

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**Impairment Of Computer Services —
Malicious Programming**

Additional Condition

System Security

If a **system** is protected by **security software**, you are required to maintain and, as necessary, upgrade (at your own cost) such software so that it provides a technologically credible level of security.

We will not pay for any loss caused by **malicious programming** if, prior to the **malicious programming**, you:

- knew of any defect or deficiency in the **security software** and failed to correct it;
- failed to maintain the **security software** in complete working order; or
- knew of any technologically credible upgrades to the **security software** that could have prevented the **malicious programming**, and failed to make them.

Definitions

The definitions applicable to this contract are contained in the Property/Business Income Conditions And Definitions form included in this policy. Any definition that amends the definitions contained in the Property/Business Income Conditions And Definitions form are shown in the Amended Definition section of this contract.

Amended Definition

Extra Expense

Extra expense means necessary expenses you incur in an attempt to continue **operations**, over and above the expenses you would have normally incurred.

Property Insurance

**Property/Business Income
Conditions And Definitions**

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**Property/Business Income
Conditions And Definitions**

Conditions

The following conditions apply to all contracts contained within the Property/ Business Income Insurance sections of this policy, except Care, Custody or Control Legal Liability, or as otherwise stated.

Abandonment

There can be no abandonment of any covered property to us unless we specifically agree to such abandonment in writing.

Appraisal

If you and we do not agree on the amount of the loss or damage, either party may make a written demand for an appraisal of the loss or damage. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. Each appraiser will separately state the value of the property and the amount of the loss or damage. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and we will equally share any other appraisal costs and the costs of the umpire.

If there is an appraisal, we will still retain our right to deny the claim.

**Concealment Or
Misrepresentation**

This insurance is void if you or any other insured intentionally conceals or misrepresents any material fact or circumstance relating to this insurance at any time.

Coverage Territory

This insurance applies anywhere within and **in transit** within and between the contiguous United States of America, Canada, the States of Hawaii and Alaska, Puerto Rico and the territories or possessions of the United States of America or Canada, excluding:

- A. coastwise waterborne shipments to or from Alaska;
- B. intercoastal waterborne shipments via the Panama Canal; and
- C. waterborne shipments to or from:
 - 1. the State of Hawaii;
 - 2. Puerto Rico; and
 - 3. territories or possessions of the United States of America or Canada.

The Coverage Territory for:

- Dependent Business Premises coverage;
- Exhibition, Fair Or Trade Show coverage;
- International Air Shipments coverage; and
- Mobile Communication Property coverage,

is worldwide.

Conditions

Coverage Territory (continued)

For Contractors' Equipment coverage, Contractors Property, Mobile Equipment coverage, Leasehold Interest coverage, Money or Securities coverage or Building Under Construction coverage, the Coverage Territory is:

- the United States of America and its territories and possessions;
- Canada and its territories and possessions; and
- Puerto Rico.

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone, telegraph or facsimile at our expense.
- Notify the police if a law may have been violated.
- Take every reasonable step to protect the covered property from further loss or damage, and keep a record of your expenses necessary to protect such covered property for consideration in the settlement of the claim. This will not increase any Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a peril that is not a covered peril. Also, if feasible, set the lost or damaged property aside and in the best possible order for examination.
- If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies of your books and records.
- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that such agent or employee knows about will not affect the insurance afforded you by this policy.

CHUBB®

**Property/Business Income
Conditions And Definitions**

Conditions
(continued)

Joint Loss Agreement

- A. This condition is intended to facilitate payment in the event of loss or damage to property that is covered by:
1. this insurance; and
 2. Boiler and Machinery insurance issued by a different insurer; and
- when there is agreement between the insuring companies as to the existence of coverage, but a disagreement as to the amount of the loss or damage to be paid by each insuring company.
- B. The provisions of paragraph C. of this condition apply only if all of the following requirements are met:
1. the Boiler and Machinery insurance contains a provision with substantially the same requirements and procedures as contained in this condition;
 2. the loss or damage to the covered property was caused by a peril for which both we and the other insurer admit some liability for payment under the respective policies;
 3. the total amount of the loss or damage is agreed upon by you, us and the other insurer;
 4. we and the Boiler and Machinery insurer disagree as to the amount of loss or damage that each should pay for the lost or damaged covered property; and
 5. the named insured is the same under both policies.
- C. If the requirements listed in Paragraph B. above are satisfied, we and the Boiler and Machinery insurer will make payments as follows:
1. we will pay, upon your written request, the entire amount for loss or damage that we have agreed upon as being covered solely by this insurance and one-half (1/2) the amount of loss or damage about which we and the other insurer disagree;
 2. the Boiler and Machinery insurer will pay, upon your written request, the entire amount of loss or damage agreed upon as being covered solely by the Boiler and Machinery insurance and one-half (1/2) the amount of loss or damage about which we and the other insurer disagree;
 3. the amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the Loss Adjustment Condition of the Boiler and Machinery insurance;
 4. the amount to be paid under this condition shall not exceed the amount we would have paid had no Boiler and Machinery insurance been in effect at the time of loss or damage;
 5. acceptance by you of payments under this condition does not alter, waive or surrender any of our rights under this policy; and

Conditions

Joint Loss Agreement (continued)

6. we and the other insurer agree to submit our differences to arbitration within 90 days after payment, and you agree to cooperate with any arbitration proceedings. There will be three arbitrators: one will be appointed by us, and the second will be appointed by the other insurer. Then, the two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by any two of the three arbitrators will be binding on us and the other insurer. Judgment on any award may be sought in any court having jurisdiction.

Legal Action Against Us

No legal action may be brought against us unless:

- there has been full compliance with all the terms of this insurance; and
- the action is brought within three years after the date on which the direct physical loss or damage occurred.

Lenders/Loss Payee

If any Loss Payee shown in the Schedule of Mortgagees and Loss Payees is a creditor whose interest in **personal property** or **electronic data processing property** is established by a written instrument and both you and such Loss Payee have an insurable interest in lost or damaged **personal property** or **electronic data processing property**, we will:

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and to each such Loss Payee, in their order of precedence, as interests may appear.

Each Loss Payee has the right to receive loss payment, even though:

- we denied your claim because you failed to comply with the terms of this insurance; or
- such Loss Payee starts foreclosure or similar actions on the **personal property** or **electronic data processing property**,

if such Loss Payee:

- pays any premium due at our request if you have failed to do so;
- submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- has notified us of any change in ownership, occupancy or substantial change in risk known to such Loss Payee.

Each Loss Payee's right to receive loss payment is limited to the lesser of the following:

- the actual cash value as described under Loss Payment Basis of the lost or damaged **personal property** or **electronic data processing property**;
- their financial interest in the **personal property** or **electronic data processing property** as shown in the written evidence; or
- the applicable Limit Of Insurance for Personal Property or Electronic Data Processing Property shown in the Declarations.

CHUBB®

**Property/Business Income
Conditions And Definitions**

Conditions

**Lenders/Loss Payee
(continued)**

If we pay any Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this insurance, such Loss Payee's rights:

- will be transferred to us to the extent of the amount we pay; and
- to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to any Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

To satisfy the requirements of any Loss Payee shown in the Schedule of Mortgages and Loss Payees, copies of policies or certified copies of policies may be sent to these Loss Payees. In no event are copies of policies sent to Loss Payees to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

Liberalization

If we adopt any changes:

- within 60 days prior to the effective date shown in the declarations; or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of such change.

Loss Payment

- A. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:
 - 1. we have reached agreement with you on the amount of loss; or
 - 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered property.
- C. We may adjust losses with the owners of lost or damaged covered property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' covered property. We will not pay the owners more than their financial interest in such property.
- D. We may elect to defend you against suits arising from claims of owners of covered property. We will do this at our expense.

**Mortgage Holder -
Buildings**

We will pay for loss or damage to **building** jointly to you and the mortgage holder shown in the Schedule of Mortgagees and Loss Payees, as interests may appear.

Your mortgage holder has the right to receive loss payment, even though:

- you failed to comply with the terms of this insurance; or
- your mortgage holder starts foreclosure or similar actions on the **building**,

if such mortgage holder:

- pays any premium due at our request if you have failed to do so;
- submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so, and

Conditions**Mortgage Holder -
Buildings
(continued)**

- has notified us of any change in ownership, occupancy or substantial change in risk known to such mortgage holder.

If we make loss payments to your mortgage holder when you fail to comply with the terms of this insurance, you will have to pay us to the extent we pay the mortgage holder. Your mortgage holder will still have the right to receive the balance of the mortgage debt from you.

We also have the right to take over your mortgage after making loss payment to the mortgage holder. If we do, you will pay your remaining mortgage debt to us.

If you fail to pay your premium, we may request it from your mortgage holder.

The mortgage holder must notify us of any change in ownership known to the mortgage holder.

If we cancel this insurance, we will give written notice to the mortgage holder at least:

- 20 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- 60 days before the effective date of cancellation, if we cancel for any other reason.

Failure to provide such notice shall not invalidate such cancellation.

To satisfy the requirements of any mortgage holder shown in the Schedule of Mortgages and Loss Payees, copies of policies or certified copies of policies may be sent to these mortgage holders. In no event are copies of policies sent to mortgage holders to be considered as increasing the Limits Of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

**No Benefit To Carrier Or
Bailee**

No person or organization, other than you, having custody of covered property will benefit from this insurance.

Other Insurance

If you have any other insurance covering the same loss or damage as is insured against by this policy, we will only pay for the amount of loss or damage which is insured against by this policy in excess of the amount due from such other insurance, whether you can collect on such other insurance or not.

Recovered Property

If any lost or damaged covered property is recovered by you or us, after a loss payment is made, the party making the recovery must give the other parties prompt notice.

If any recovered property has a salvage value, we shall control the disposition of such salvage.

When covered property is recovered, you may keep the:

- recovered property and return the loss payment to us; or
- loss payment and we will keep the recovered property.

When any recovered covered property which you choose to keep is in need of repair, we will pay for the repairs subject to the:

- applicable Limit Of Insurance shown in the Declarations; and
- Loss Payment Basis provision, Our Loss Payment Options.



Property/Business Income Conditions And Definitions

Conditions

Recovered Property (continued)

If any recovered property has a salvage value or if there is any money recovered through subrogation, such recoveries shall be applied, net of the expense of such recovery, in the following order:

- first, to you for any uninsured loss or damage resulting from an insufficient limit of insurance;
- second, to us for any amounts paid in settlement of your claim; and
- third, to you for any deductible amount that you paid or penalties you paid as a result of coinsurance or the **personal property** reporting condition of this insurance, if applicable.

We shall determine the amount of loss or damage on the basis on which it would have been settled had the amount of recovery been known at the time the loss was originally determined.

If there are expenses:

- in recovering any lost or damaged covered property; or
- as a result of subrogation,

we shall share the expense with you and any insurer providing excess insurance in proportion to the amount we are each reimbursed. If there should be no recovery and proceedings are conducted solely by us, we shall bear the expenses of the proceedings.

Transfer Of Rights Of Recovery To Us

If any person to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair our rights.

You may waive your rights against another party in writing:

- A. prior to direct physical loss or damage to covered property; or
- B. after direct physical loss or damage to covered property only if, at the time of direct physical loss or damage, that party is one of the following:
 - 1. someone insured by this insurance;
 - 2. an individual who owns or controls the majority of capital stock of your business;
 - 3. a related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 - 4. your tenant.

This will not restrict your insurance.

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***Property/Business Income
Conditions And Definitions***

Definitions

When used with respect to insurance under this policy:

Accounts Receivable

Accounts receivable means:

- the money due you that you are unable to collect from customers;
- interest charges on any loan that you secure to offset your reduced cash flow; and
- additional collection costs.

***Accounts Receivable
Records***

Accounts receivable records means accounting records, including support records such as invoices and accounting records in any form, used to control and document the collection of money due from customers.

Blank Media

Blank media means the blank medium upon which **electronic data** is recorded, but not **electronic data** itself.

Bonus Payments

Bonus payments means that portion of any cash bonus you paid based on the percentage of your lease remaining at the time of direct physical loss or damage.

Bonus payments does not mean rent, securities or cash bonuses refunded to you, even if you prepaid the rent or security.

Building

Building means:

- a structure;
- **building components**;
- completed additions;
- additions to the structure under construction; and
- alterations and repairs to the structure.

Building does not mean:

- land, water or air, either inside or outside of a structure;
- dams;
- dikes;
- paved or concrete surfaces;
- underground mines or mine shafts or any property within such underground mines or mine shafts;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- **outdoor trees, shrubs, plants or lawns**; or
- any structure you do not own, occupy and are not legally or contractually required to insure.

Definitions

(continued)

Building Components

Building components means:

- glass forming a part of a structure;
- **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used for making additions or repairs to a structure;
- outdoor fixtures;
- outdoor and indoor signs;
- permanently installed fixtures, machinery and equipment; and
- **personal property** used to maintain or service a structure or its premises.

Building Or Renovations Under Construction

Building or renovations under construction means:

- **buildings under construction**; or
- **renovations under construction.**

Building Under Construction

Building under construction means:

- A. a structure in the course of construction; and
- B. the following, if attached to the structure, intended to become a part of the structure, or within 1,000 feet of the premises shown in the Declarations where the structure is under construction:
 - 1. foundations;
 - 2. **building components**;
 - 3. building materials and supplies, including those in your care, custody or control:
 - a. at a job site awaiting and during installation; or
 - b. **in transit** to a job site; and
 - 4. temporary structures built or assembled on site, including cribbing, scaffolding and construction forms, if not covered by other insurance.

Building under construction does not mean:

- land, water or air, either inside or outside of a structure in the course of construction;
- dams;
- dikes;
- paved or concrete surfaces;
- underground mines or mine shafts or any property within such underground mines or mine shafts;
- retaining walls;



Property/Business Income Conditions And Definitions

Definitions

Building Under Construction (continued)

- outdoor trees, shrubs, plants or lawns;
- contractors' equipment;
- mobile equipment; or
- any structure in the course of construction you do not own, occupy and are not legally or contractually required to insure.

Business Income

Business income means:

- A. net profit or loss, including rental income from tenants and net sales value of production, that would have been earned or incurred before income taxes;
- B. your continuing normal:
 - 1. operating; and
 - 2. payroll, expenses;
- C. charges you incur which are the legal obligation of your tenant which would otherwise be your obligations; and
- D. the cost you are required to pay to rent temporary premises when that portion of the premises shown in the Declarations occupied by you is untenable, not to exceed the fair rental value of such untenable portion of the **building** you occupy.

Business income does not mean bank interest or investment income.

Communication Property

Communication property means:

- analog or digital communication equipment; or
- other equipment used to interactively communicate with others through voice, picture, video or writing,

you own or in your care, custody or control.

Communication property does not mean:

- electronic data processing equipment;
- electronic data;
- mobile communication property;
- contractors' equipment;
- communication systems for sale or sold; or
- mobile equipment.

Definitions

(continued)

Contractors' Equipment

Contractors' equipment means contractors' machinery and equipment, including accessories, tools and spare parts for the contractors' machinery and equipment, usual to your business, which you own, lease or borrow, and for which you are legally liable.

Contractors' equipment does not mean:

- aircraft or watercraft;
- motor vehicles required to be licensed for highway use, except motor vehicles on which your contractors' machinery or equipment is permanently mounted;
- **personal property**;
- property while underground, except while **in transit** through vehicular or railroad tunnels;
- office equipment, which is the contents of trailers, unless that equipment is otherwise shown;
- property while waterborne or while being loaded or unloaded for waterborne transit, except while **in transit** on public ferries or car floats for hire;
- property while leased or loaned to others;
- property while on any platform anchored, permanently or temporarily, in any body of water;
- **mobile communication property**; or
- **electronic data processing property**.

Covered Peril

Covered peril means a peril covered by the Form(s) shown in the Property Insurance Schedule Of Forms, except Care, Custody Or Control Legal Liability, applicable to the lost or damaged property.

For the purposes of:

- **personal property of a dependent business premises**;
- **personal property of a utility**; or
- **service property**,

covered peril means a peril covered by the Building and Personal Property Contract included in this policy applicable to **building** or **personal property** at a premises shown in the Declarations.

Dependant Business Premises

Dependent business premises means premises operated by others on whom you depend to:

- deliver materials or services to you or to others for your account (contributing premises);
- accept your products or services (recipient premises);
- manufacture products for delivery to your customers under contract of sale (manufacturing premises); or
- attract customers to your business (leader premises).

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***Property/Business Income
Conditions And Definitions***

Definitions

***Dependent Business
Premises
(continued)***

Dependent business premises does not mean any:

- A. premises operated by others on whom you depend to:
 - 1. deliver utility services to you; or
 - 2. accept utility services from you; or
- B. premises of **on-line access** providers.

Electronic Data

Electronic data means software, data or other information that is in electronic form.

***Electronic Data
Processing Equipment***

Electronic data processing equipment means:

- computers;
- computer peripherals;
- climate control and protection equipment used solely for electronic data processing operations;
- separately identifiable and removable component computer devices that are attached to covered property and are designed to control such property, but not the property itself; and
- **blank media.**

Electronic data processing equipment does not mean:

- **electronic data;**
- computers, peripherals, equipment or parts held for sale or distribution;
- computers, peripherals, equipment or parts that have been sold;
- computers, peripherals, equipment or parts in the course of manufacture;
- **communication property;**
- **contractors' equipment;**
- **mobile communication property; or**
- **mobile equipment.**

***Electronic Data
Processing Property***

Electronic data processing property means:

- **electronic data;**
- **electronic data processing equipment;**
- **mobile communication property; and**
- **communication property.**

Electronic data processing property does not mean:

- **contractors' equipment; or**
- **mobile equipment.**

Definitions

(continued)

Electronic Data Recovery Costs

Electronic data recovery costs means the reasonable and necessary costs you incur to:

- copy, re-create, replace or retrieve **electronic data** you own or use, or which resides on a system you own or lease; and
- restore a system you own or lease to the functionality that existed prior to the **malicious programming**.

Electronic data recovery costs does not include the cost to repair or replace **electronic data processing equipment** or **communication property** which suffers direct physical loss or damage.

Extra Expense

Extra expense means necessary expenses you incur:

- A. in an attempt to continue **operations**, over and above the expenses you would have normally incurred; and
- B. to repair or replace any **property**, or to research or restore the lost information on damaged **valuable papers**, records and media, if such action will reduce any loss we would pay under this insurance.

Paragraph B. does not apply to Fungus Clean-up Or Removal Premises Coverage.

Fine Arts

Fine arts means:

- paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles and other bona fide works of art; or
- items of rarity or historical value.

Finished Stock

Finished stock means goods you have manufactured which are in their completed state and ready for sale.

Finished stock does not include goods you have manufactured which are in their completed state and ready for sale on the premises of any retail outlet.

Flood

Flood means:

- waves, tidal water or tidal waves; or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not.

Flood does not include:

- a **specified peril** that ensues from flood; or
- tsunami resulting from earthquake.

CHUBB®

**Property/Business Income
Conditions And Definitions**

Definitions
(continued)

Fungus

Fungus means any:

- A. 1. mildew, mold or other fungi;
- 2. other microorganisms; or
- 3. any mycotoxins, spores, or other by-products of the foregoing; or
- B. colony or group of any of the foregoing.

Insider

Insider means a person, organization or computer you have expressly authorized to access a system.

In Transit

In transit means being shipped by air, surface or waterborne conveyance from the time beginning:

- when, if shipped from your premises in or on conveyances you own, lease or operate, the property departs your premises;
- when, if shipped from premises of others in or on conveyances you own, lease or operate, the property is transferred into your care, custody or control; or
- when the property is actually moved from the point of shipment bound for a specified destination, if shipped in or on any other conveyance;

and ending:

- when the property is accepted by, or on behalf of, the consignee at the intended destination;
- when the property is accepted by, or on behalf of, the consignee at any intermediate point short of reaching the original intended destination;
- at such point where you, or the owner of the property if other than you, order the property stopped and held pending instructions. However, this does not apply to property while in the custody of a carrier for hire and which is being held at a location other than the intended destination by such carrier's "on-hand" department for a period not to exceed 30 days; or
- when, if shipped to your premises in or on conveyances you own, lease or operate, the property arrives at your premises.

In transit includes ordinary, reasonable, and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment, but not while at premises you own, lease or operate.

In transit also includes the period of time during which:

- there is a substantial and unauthorized deviation from the normal route by a carrier for hire; or
- the contract of carriage is, without your knowledge, abandoned en route by a carrier for hire, its agent, or its driver.

In transit does not mean:

- A. property shipped by mail, unless shipped by registered mail;
- B. import shipments, within the Coverage Territory, until such time as ocean marine insurance has ceased to cover such property;

Definitions

In Transit (continued)

- C. export shipments once:
 - 1. loaded on board any steamer or other watercraft; or
 - 2. ocean marine insurance has begun to cover such property, whichever occurs first; or
- D. property owned by others when you are acting as a carrier for hire.

Malicious Programming

Malicious programming means an illegal or malicious entry into **electronic data** or a **system** which results in functions that:

- distort;
- corrupt;
- manipulate;
- copy;
- delete;
- destroy; or
- slow down,

such **electronic data** or **system**.

Malicious programming does not mean:

- theft of telephone services; or
- direct physical loss or damage to **electronic data processing property** or **mobile communication property**.

Market Value

Market value means the price which the **fine arts** might be expected to realize if offered for sale in a fair market on the date of loss or damage.

Mechanical Or Electrical System Or Apparatus

Mechanical or electrical system or apparatus means any:

- boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels, including metal piping and its accessory equipment connected thereto; and
- mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

Mechanical or electrical system or apparatus does not mean any:

- A. part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
- B. insulating or refractory material;
- C. non-metallic vessels, equipment, machines and apparatus, including their glass linings and non-metallic parts, unless constructed in accordance with the American Society of Mechanical Engineers;
- D. glass linings of vessels, equipment, machines and apparatus;

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**Property/Business Income
Conditions And Definitions**

Definitions

**Mechanical Or Electrical
System Or Apparatus
(continued)**

- E. catalyst;
- F. piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
- G. sewer piping;
- H. sprinkler system piping or water piping other than:
 - 1. feedwater piping between any steam boiler and its feed pumps or injectors;
 - 2. steam boiler condensate return piping; and
 - 3. metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- I. part of an unfired pressure vessel that is not under:
 - 1. pressure; or
 - 2. internal vacuum;
- J. structure, foundation, cabinet or compartment containing any vessel, equipment, machine or apparatus;
- K. felt, wire, screen, die, extrusion plate, swing hammer, grinding disk, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent periodic replacement;
- L. vessel, equipment, machine or apparatus manufactured by you for sale;
- M. power shovel, dragline, excavation vehicle (whether or not licensed for road use), aircraft, floating vessel or structure, penstock, draft tube or well casings; or
- N. **electronic data processing property**, except for component computer devices that are used solely to control a mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

When a vessel uses a heat transfer medium other than water or steam, we will consider the medium used and its vapor as substitutes for the words "water" or "steam".

Merchandise

Merchandise means goods:

- held for sale by you; or
- manufactured by you and ready for sale on the premises of any retail outlet.

**Mobile Communication
Property**

Mobile communication property means:

- cellular telephone;
- laptop computers;
- pagers;
- personal digital assistants;
- mobile hand held global positioning systems; and
- other hand held communication devices.

Definitions

Mobile Communication Property (continued)

Mobile communication property does not mean:

- **personal property;**
- **electronic data processing equipment;**
- **electronic data;**
- **communication property;**
- **contractors' equipment; or**
- **mobile equipment.**

Mobile Equipment

Mobile equipment means machinery and equipment, including accessories, tools and spare parts for the machinery and equipment, usual to your business which you own, lease or borrow, and for which you are legally liable.

Mobile equipment does not mean:

- **aircraft or watercraft;**
- **motor vehicles required to be licensed for highway use, except motor vehicles on which your machinery or equipment is permanently mounted;**
- **personal property;**
- **property while underground, except while in transit through vehicular or railroad tunnels;**
- **office equipment, which is the contents of trailers, unless that equipment is otherwise shown;**
- **property while waterborne or while being loaded or unloaded for waterborne transit, except while in transit on public ferries or car floats for hire;**
- **property while leased or loaned to others;**
- **property while on any platform anchored, permanently or temporarily, in any body of water;**
- **mobile communication property; or**
- **electronic data processing property.**

Money

Money means:

- **currency, coins, bank notes or bullion;**
- **food stamps;**
- **checks or drafts drawn on any account; or**
- **travelers checks, registered checks and money orders, held for sale to the public.**

Non-Owned Detached Trailers

Non-owned detached trailers means trailers that you do not own that:

- **are used in your business; and**
- **are in your care, custody or control.**

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**Property/Business Income
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Definitions

**Non-Owned Detached
Trailers
(continued)**

Non-owned detached trailers does not mean:

- trailers attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- trailers during hitching or unhitching operations, or when trailers become accidentally unhitched from a motor vehicle or motorized conveyance.

Occurrence

Occurrence means:

- A. for earthquake, including any resulting tsunami:
 - 1. one earthquake; or
 - 2. a series of earthquake shocks occurring within any period of 168 hours;
- B. for volcanic eruption:
 - 1. one volcanic eruption; or
 - 2. a series of volcanic eruptions occurring within any period of 168 hours;
- C. for windstorm involving, in whole or in part, any of the perils of weather:
 - 1. one weather event; or
 - 2. a series of related weather events; or
- D. for all other perils:
 - 1. one event; or
 - 2. a series of causally related events that:
 - a. contribute concurrently to; or
 - b. contribute in any sequence to,the loss or damage.

For the purposes of this definition:

- earthquake does not include a **specified peril** that ensues from earthquake; and
- any earthquake or volcanic eruption, or series of earthquake shocks or volcanic eruptions, will be deemed to occur at the time of the first shock or eruption.

Off Premises

Off premises means:

- in the custody of an armored motor vehicle company; or
- in the possession of any person authorized by you, but not while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company.

Definitions

(continued)

On Premises

On premises means:

- on the premises shown in the Declarations;
- in a bank; or
- in a recognized place of safe deposit.

On-Line Access

On-line access means:

- accessing information made available by third parties; or
 - making information available to third parties,
- via computer or other electronic system.

Operations

Operations means your business activities occurring at your premises, including your activities as a lessor of premises, prior to the loss or damage.

Outdoor Trees, Shrubs, Plants Or Lawns

Outdoor trees, shrubs, plants or lawns means outdoor trees, shrubs, plants or lawns you own on the premises shown in the Declarations.

Outdoor trees, shrubs, plants or lawns does not mean:

- outdoor trees, shrubs, plants or lawns that you hold for sale; or
- growing crops.

Outsider

Outsider means a person, organization or computer not authorized to access a **system**.

Overhead Communication, Transmission Or Distribution Equipment

Overhead communication, transmission or distribution equipment means:

- overhead communication, transmission or distribution lines;
 - overhead transformers; or
 - other similar overhead communication, transmission or distribution equipment,
- and all their supporting towers and poles.

Period Of Recovery Of Computer Service

Period of recovery of computer service means the period of time that:

- for **electronic data recovery costs** and **extra expense**, begins immediately after the **malicious programming** occurs; and
- for **business income**, begins twenty-four (24) normal business hours after the **malicious programming** occurs.

Period of recovery of computer service will continue until the earlier of the following:

- the date your **operations** are restored, with due diligence and dispatch, to the condition that would have existed had there been no **malicious programming**; or

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Property/Business Income Conditions And Definitions

Definitions

Period Of Recovery Of Computer Service (continued)

- sixty (60) days after the date you restore, with due diligence and dispatch, a **system** to the functionality that existed prior to the **malicious programming**.

In determining the condition of **operations** that would have existed had there been no **malicious programming**, no consideration will be given to unfavorable market conditions or competitive advantage gained by others as a result of such **malicious programming**.

Period Of Restoration

Period of restoration means the period of time that, for **business income**, begins:

- A. immediately after the time of direct physical loss or damage by a **covered peril** to **property**; or
- B. on the date **operations** would have begun if the direct physical loss or damage had not occurred, when loss or damage to any of the following delays the start of **operations**:
 1. new **buildings** whether complete or under construction;
 2. alterations or additions to existing **buildings**; or
 3. **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used in the construction of, or for making additions to, alterations or repairs to the structure.

Period of restoration means the period of time that, for **extra expense**, begins immediately after the time of direct physical loss or damage by a **covered peril** to **property**.

Period of restoration will continue until your **operations** are restored, with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical loss or damage occurred, including the time required to:

- A. repair or replace the **property**; or
- B. repair or replace the **property** to comply with the minimum standards of any enforceable ordinance or law that:
 1. regulates the repair or replacement of any **property**;
 2. requires the tearing down of parts of any **property** not damaged by a **covered peril**; and
 3. is in force prior to the date of the direct physical loss or damage,

not to exceed the applicable number of days shown as Extended Period in the Declarations, beginning on the date that:

- for manufacturing risks, the lost or damaged **property** is actually repaired or replaced and production capability is restored to the level that existed prior to the date the direct physical loss or damage occurred; or
- for all other risks, the lost or damaged **property** is actually repaired or replaced and your **operations** are restored.

The expiration date of this policy will not cut short the **period of restoration**.

Definitions

Period Of Restoration (continued)

If loss or damage occurs at a:

- **dependent business premises;** or
- utility,

for the purpose of determining **period of restoration** following such loss or damage, **property** includes:

- **personal property of a utility;** or
- **personal property of a dependent business premises.**

In determining the **business income** amount that would have existed if no direct physical loss or damage occurred, we will reduce such amount to the extent necessary to reflect unfavorable economic conditions attributable to the impact the **covered peril** had in the geographic area where the lost or damaged **property** is located.

Period of restoration does not include any increased period required to comply with any ordinance or law:

- you were required to comply with before the direct physical loss or damage;
- involving any property outside the legal boundary of the premises shown in the Declarations;
- that regulates the repair or replacement of any property that was lost or damaged by an excluded peril. If direct physical loss or damage is caused by or results from both a **covered peril** and an excluded peril, the **period of restoration** only includes the length of time required to repair or replace the property lost or damaged by a **covered peril**; or
- that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus** or **pollutants**, except as provided under the Fungus Clean-up Or Removal Premises Coverage or the Pollutant Clean-up Or Removal Additional Coverage.

Personal Property

Personal property means:

- all your business personal property;
- business personal property you lease;
- **personal property of others;**
- labor, materials and services furnished or arranged by you on **personal property of others;**
- signs, fixtures, glass and other **tenant's improvements and betterments;** and
- glass in **buildings** you do not own if you are legally or contractually required to maintain such glass.

Personal property does not mean:

- **building**, except **tenant's improvements and betterments** and glass in **buildings** you do not own if you are legally or contractually required to maintain such glass;
- land, water or air, either inside or outside of a structure;
- retaining walls;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**

CHUBB®**Property/Business Income
Conditions And Definitions****Definitions****Personal Property
(continued)**

- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- self-propelled watercraft, or any other watercraft over 50 feet in length, in water;
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, except as provided under the Deferred Payments Additional Coverage;
- import shipments prior to either discharge from aircraft or oceangoing vessel or termination of the risk assumed by cargo insurance;
- export shipments after either being loaded on aircraft or oceangoing vessel or having come under the protection of cargo insurance;
- animals, except animals owned by others and boarded by you or animals owned by you and held for sale;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

**Personal Property Of A
Dependent Business
Premises**

Personal property of a dependent business premises means business personal property owned or leased by a dependent business premises.

Personal property of a dependent business premises does not mean:

- **building;**
- land, water or air, either inside or outside of a structure;
- retaining walls;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- self-propelled watercraft, or any other watercraft over 50 feet in length, in water;
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground;
- **electronic data;**
- **money or securities;**

Definitions

Personal Property Of A Dependent Business Premises (continued)

- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- animals;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

Personal Property Of Employees

Personal property of employees means personal property owned or leased by your employees and in your care, custody or control.

Personal property of employees does not mean:

- **building;**
- land, water or air, either inside or outside of a structure;
- retaining walls;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- self-propelled watercraft, or any other watercraft over 50 feet in length, in water;
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- import shipments prior to either discharge from aircraft or oceangoing vessel or termination of the risk assumed by cargo insurance;
- export shipments after either being loaded on aircraft or oceangoing vessel or having come under the protection of cargo insurance;
- animals, except animals owned by your employee and boarded by you;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

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**Property/Business Income
Conditions And Definitions**

Definitions

(continued)

**Personal Property Of
Others**

Personal property of others means personal property not owned by you and in your care, custody or control.

Personal property of others does not mean:

- business personal property you lease; or
- **personal property of employees.**

**Personal Property Of A
Utility**

Personal property of a utility means personal property owned or leased by a utility.

Personal property of a utility does not mean:

- **building;**
- land, water or air, either inside or outside of a structure;
- retaining walls;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- self-propelled watercraft, or any other watercraft over 50 feet in length, in water;
- aircraft;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- animals;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Pollutants does not mean **fungus.**

Definitions

(continued)

Prepaid Rent

Prepaid rent means that portion of any prepaid rent you paid based on the percentage of your lease remaining at the time of direct physical loss or damage.

Prepaid rent does not mean the customary rent due at the beginning of any rental period.

Property

Property means:

- building;
- personal property;
- personal property of employees;
- electronic data processing property;
- valuable papers;
- fine arts; or
- research and development property.

Prototypes

Prototypes mean a first or original model of a new type of design.

Raw Stock

Raw stock means material in the state in which you receive it for conversion into **finished stock**.

Renovations Under Construction

Renovations under construction means additions, improvements, alterations or repairs to an existing structure, including:

- A. the following property located in the structure, on premises, within 1,000 feet of the premises shown in the Declarations or while **in transit** to the premises shown in the Declarations if such property is intended to become a permanent part of the structure:
 1. fixtures, machinery and equipment used to service the structure; and
 2. your building materials and supplies, or those in your care, custody or control, used in the construction; and
- B. temporary structures built or assembled on the premises shown in the Declarations, including cribbing, scaffolding and construction forms, if not covered by other insurance.

Renovations under construction does not mean:

- any portion of a structure existing prior to the additions, improvements, alterations or repairs;
- paved or concrete surfaces;
- retaining walls;
- building under construction;
- contractors' equipment;
- land, water or air, either inside or outside of a structure;
- dams;

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**Property/Business Income
Conditions And Definitions**

Definitions

**Renovations Under
Construction
(continued)**

- dikes;
- underground mines or mine shafts and any property within such underground mines or mine shafts;
- **mobile communication property**; or
- **mobile equipment**.

Rental Income

Rental income means:

- A. net profit or loss that would have been earned or incurred, before income taxes, from the rental income from tenant occupancy of the premises shown in the Declarations;
- B. your continuing normal:
 - 1. operating; and
 - 2. payroll,expenses that you incur solely from tenant occupancy of the premises shown in the Declarations;
- C. charges you incur which are the legal obligation of your tenant(s) which would otherwise be your obligations; and
- D. the cost you are required to pay to rent temporary premises when that portion of the premises shown in the Declarations occupied by you is untenable, not to exceed the fair rental value of such untenable portion of the **building** you occupy.

Rental income does not mean bank interest or investment income.

**Research And
Development Income**

Research and development income means:

- grants, endowments and other financial contributions made to you pursuant to written agreements to further **research and development operations**; less
- expenses, including any research and development payroll expense, that you do not continue to incur, due to the actual impairment of such **research and development operations**,

provided you:

- report the value of such agreements to us by the inception of this policy;
- report the value of any agreements executed after the inception of this policy to us within 90 days of their execution;
- report any amendments to such agreements that change the value of such agreements within 90 days of the execution of such amendments; and
- continue your **research and development operations**.

Except as provided under the Newly Acquired Research And Development Income Premises Coverage, insurance for agreements executed after the inception of this policy will begin on the date you report the values for such agreements to us.

Definitions

(continued)

Research And Development Operations

Research and development operations means your business activities occurring at your premises, which are directly related to the development of new products or enhancement of existing products.

Research And Development Property

Research and development property means:

- written, printed or inscribed documents, plans, records or formulas;
- processes or cultures and resulting products, samples or other materials produced by such processes or cultures; and
- **prototypes,**

if produced and directly associated with your **research and development operations**.

Research and development property does not mean:

- animals;
- **money or securities;**
- property held for sale or held for delivery after sale;
- goods you have manufactured which are in their completed state and ready for sale; or
- **mobile communication property.**

Robbery Of Money Or Securities

Robbery of money or securities means the unlawful taking of **money or securities** from:

- you;
- your partner;
- your employee; or
- any other person authorized by you to have custody of the **money or securities,**

by violence, threat of violence or any other overt felonious act committed in the presence and with cognizance of any such person.

Salespersons' Samples

Salespersons' samples means **personal property** that is in the custody of any one of your salespersons and used only for sample purposes.

Securities

Securities means:

- all negotiable and nonnegotiable instruments or contracts that represent either **money** or other property held by you in any capacity;
- revenue and other stamps in current use;
- tokens;

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**Property/Business Income
Conditions And Definitions**

Definitions

**Securities
(continued)**

- tickets; and
- property of others that you hold as a pledge or as collateral for a loan.

Securities does not mean **money**.

Security Software

Security software means software or other computer applications or programming principally designed to detect, prevent or mitigate **malicious programming**.

Service Property

Service property means property outside of a **building**, owned or leased by you and used either on or off the premises shown in the Declarations, to supply such premises with water, communication, power, natural gas or sewage treatment service.

Sinkhole Collapse

Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

Sinkhole collapse does not mean:

- the cost of filling land; or
- the sinking or collapse of land into man-made cavities.

Soft Costs

Soft costs means costs over and above the costs you would have incurred during construction work, including:

- extra construction costs you incur to continue construction and meet contract dates;
- construction loan interest on money borrowed to finance construction;
- realty taxes and other assessments on the construction site accruing during a period of delay;
- architect, engineering and consultant fees;
- legal and accounting fees;
- insurance premiums;
- advertising and promotional expenses; and
- costs and commissions resulting from renegotiating leases.

Specified Peril

Specified peril means:

- aircraft or self-propelled missiles;
- explosion;
- fire;
- leakage from fire protection equipment;
- lightning;
- mine subsidence;

Definitions

Specified Peril (continued)

- riot or civil commotion;
- **sinkhole collapse;**
- smoke;
- vandalism;
- vehicles;
- volcanic action; or
- windstorm or hail.

Stock

Stock means:

- goods held in storage or for sale;
 - **raw stock;**
 - **stock in process;**
 - **finished stock;** or
 - **merchandise,**
- including supplies used in their packing or shipping.

Stock In Process

Stock in process means **raw stock** that has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**.

Sublease Profit

Sublease profit means the net profit you earn through subleasing the **building** or portion of the **building** that you rent for the unexpired term of the canceled lease or sublease, whichever would expire first. This amount is discounted based on the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease or sublease.

System

System means a computer and all input, output, processing, storage, off-line media library, and communication facilities which are connected to such computer, provided such computer and facilities are:

- owned and operated by you;
- leased and operated by you; or
- utilized by you pursuant to a written contract.

Technology Peril

Technology peril means:

- A. for **electronic data processing equipment, communication property or mobile communication property**, a peril not otherwise excluded; or
- B. for **electronic data**:
 1. aircraft;
 2. explosion;

CHUBB®

**Property/Business Income
Conditions And Definitions**

Definitions

**Technology Peril
(continued)**

3. falling objects;
4. fire;
5. freezing;
6. leakage from fire protection equipment;
7. lightning;
8. riot or civil commotion;
9. **sinkhole collapse**;
10. smoke;
11. vehicles;
12. weight of snow;
13. windstorm or hail; or
14. earthquake (except in California) or **flood** to the extent covered under the Electronic Data Processing Property contract included in this policy.

**Tenant's Improvements
And Betterments**

Tenant's improvements and betterments means fixtures, alterations, installations or additions:

- you make a part of a **building** you occupy but do not own; and
- you acquire or make at your expense but cannot legally remove.

Tenant's improvements and betterments does not mean:

- land, water or air, either inside or outside of a structure;
- paved or concrete surfaces;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- **outdoor trees, shrubs, plants or lawns**; or
- growing crops.

Tenants' Lease Interest

Tenants' lease interest means:

- the difference between the appraised rental value of the leased premises at the time of direct physical loss or damage for the unexpired term of the lease and the actual rent due for the same period, discounted by the prime rate of interest at the time of direct physical loss or damage, for the unexpired term of the canceled lease; or
- the difference between the rent due for the unexpired term of the canceled lease and the rent due under the new lease for that same time period, not to exceed the difference between the actual rent due for the unexpired term of the canceled lease and the appraised rental value of the leased premises for that same period. This difference is discounted by the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease.

Definitions

(continued)

Unamortized

Unamortized means the period of time remaining in your lease at the time of loss or damage divided by the period of time from the date the **tenant's improvements and betterments** were made to the date that your lease expires.

Valuable Papers

Valuable papers means valuable:

- papers, documents, records, negatives, transparencies;
- tapes of all types;
- original plans, blueprints, specifications or designs; and
- original source material used to enter or program **electronic data**, but not the **electronic data** itself.

Valuable papers does not mean:

- **electronic data**;
- prepackaged software programs;
- **money**; or
- **securities**.

Water

Water means water that:

- escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such water is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
- backs up or overflows through sewers, drains or sump;
- seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
- enters doors, windows or other openings in any building or other structure.

Workday

Workday means the 24-hour period that begins at midnight, during which your **operations** were or normally would be performed.

Property Insurance**Mining Property Extension For
Property/Business Income Insurance****Table Of Contents**

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Mining Property Extension For Property/Business Income Insurance

Contract

Introduction

All of the Property/Business Income Provisions contained in the other property, business income and extra expense forms that comprise this policy apply, unless they have been deleted or modified by this Mining Property Extension For Property/Business Income Insurance.

The following exclusions are added under the Additional Exclusions section of the Building And Personal Property contract:

Additional Exclusions Added

Breakdown Of Refractory Material

This insurance does not apply to loss or damage to insulating or refractory material caused by or resulting from breakdown of such material.

This Breakdown Of Refractory Material exclusion does not apply to loss or damage that results to other covered property.

Electric Arcing

This insurance does not apply to loss or damage caused by or resulting from electric arcing or any other artificially generated current that disturbs electrical devices, appliances or wires.

This Electric Arcing exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Mudslide Or Mudflow

This insurance does not apply to loss or damage caused by or resulting from mudslide or mudflow.

This Mudslide Or Mudflow exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Rust

This insurance does not apply to loss or damage caused by or resulting from rust, oxidation, corrosion or discoloration.

This Rust exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Steam Boiler

This insurance does not apply to loss or damage caused by or resulting from explosion of any steam boiler, steam pipe, steam turbine or steam engine owned or leased by you, or operated under your control.

This Steam Boiler exclusion does not apply to:

- ensuing loss or damage caused by or resulting from fire or combustion explosion; or
- loss or damage caused by or resulting from explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

Additional Exclusions

Added

(continued)

Voluntary Parting

This insurance does not apply to loss or damage caused by or resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

This Voluntary Parting exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

**Amended Policy
Exclusion**

The Mechanical Breakdown (Other Than Abrupt And Accidental) Policy Exclusion contained in the Building And Personal Property contract is deleted and replaced with the following:

Mechanical Breakdown

This insurance does not apply to loss or damage caused by or resulting from mechanical breakdown, including rupture or bursting caused by centrifugal force.

This Mechanical Breakdown exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

**Amended Waiting
Period**

The Waiting Period provision contained in the Business Income With Extra Expense contract or Business Income Without Extra Expense contract is deleted and replaced with the following:

Subject to the applicable Limit Of Insurance, we will pay the amount of **business income** loss that is incurred after the waiting period shown in the Declarations for each **occurrence**.

If a waiting period is shown in the Declarations, the waiting period begins immediately following the time of the covered direct physical loss or damage.

If two or more Business Income waiting periods apply to the same **occurrence**, only the largest single waiting period will apply, unless otherwise stated.

The waiting period does not apply to **extra expense**.

If a waiting period is not shown under Dependent Business Premises in the Declarations, then the waiting period applicable to Dependent Business Premises Additional Coverage is 7 days.

**Amended Loss
Payment Basis**

The Extended Warranties Loss Payment Basis provision contained in the Building And Personal Property contract is deleted.

Extended Warranties

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**Mining Property Extension For
Property/Business Income Insurance**

The following Loss Payment Limitation is added under the Loss Payment Limitations section of the Building And Personal Property contract.

**Additional Loss
Payment Limitation**

Underground Property

We will not pay for loss or damage to property located:

- below the surface of the lowest floor or basement of any structure; or
- underground, if outside of a structure.

The Other Insurance condition contained in the Property/Business Income Conditions And Definitions form is deleted and replaced with the following:

Amended Condition

Other Insurance

If you have any other insurance covering the same loss or damage as is insured against by this policy:

- we will only pay for the amount of loss or damage which is insured against by this policy in excess of the amount due from such other insurance, whether you can collect on such other insurance or not; and
- this insurance may not be used to fund any deductible contained in such other insurance, or to fund any self insured retention.

The Building, Mobile Equipment, Period Of Restoration, Personal Property, Personal Property Of A Dependent Business Premises, Personal Property Of A Utility and Personal Property Of Employees definitions contained in the Property/Business Income Conditions And Definitions form are deleted and replaced with the following:

Amended Definitions

Building

Building means:

- a structure;
- **building components;**
- completed additions;
- additions to the structure under construction; and
- alterations and repairs to the structure.

Building does not mean:

- land, water or air, either inside or outside of a structure;
- **natural resources;**
- **oil and gas lease property;**
- **mobile equipment or mobile equipment of others;**
- graded, paved or concrete surfaces;
- bridges;

Amended Definitions

Building (continued)

- underground mines or mine shafts or any property within such underground mines or mine shafts;
- retaining walls;
- foundations or supports below the surface of the lowest floor or basement;
- dams, cofferdams, dikes, levees, impoundments, penstock, or any other natural or manmade structure designed or intended to contain, divert, impound or direct water, mine tailings, mine waste or any other liquid substance, or their contents;
- excavations, gradings, fillings, backfillings, shafts, slopes, drifts, borings, mine or other pits, pitwalls, heap leach pads or heaps;
- outdoor trees, shrubs, plants or lawns;
- overhead communication, transmission or distribution equipment; or
- any structure you do not own, occupy and are not legally or contractually required to insure.

Mobile Equipment

Mobile equipment means mobile machinery and equipment, including accessories, tools and spare parts for such machinery and equipment, usual to your business which you own or lease, and for which you are legally liable.

Mobile equipment does not mean:

- aircraft;
- watercraft, or other marine vessels;
- vehicles required to be licensed for highway use, except vehicles on which your mobile machinery or equipment is permanently mounted;
- shafts, slopes, drifts, borings, tunnels, mine or other pits or pitwalls, adits or other mine openings, except conveyors or hoist equipment installed within such openings;
- office equipment, which is the contents of trailers, unless that equipment is otherwise shown;
- property while waterborne, except while in transit;
- property while leased or loaned to others;
- roof bolts, rock bolts, rock dust, fuel, oil, lubricants, materials or supplies, or other consumable property used or to be used in underground mines; or
- equipment, machinery, or other property permanently installed underground.

Period Of Restoration

Period of restoration means the period of time that, for **business income**, begins:

- A. immediately after the time of direct physical loss or damage by a **covered peril** to **property**; or
- B. on the date **operations** would have begun if the direct physical loss or damage had not occurred, when loss or damage to any of the following delays the start of **operations**:
 1. new **buildings** whether complete or under construction;
 2. alterations or additions to existing **buildings**; or

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**Mining Property Extension For
Property/Business Income Insurance**

Amended Definitions

**Period Of Restoration
(continued)**

3. **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used in the construction of, or for making additions, alterations or repairs to, the structure.

Period of restoration means the period of time that, for **extra expense**, begins immediately after the time of direct physical loss or damage by a **covered peril** to **property**.

Period of restoration will continue until your **operations** are restored, with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical loss or damage occurred, including the time required to:

- A. repair or replace the **property**; or
- B. repair or replace the **property** to comply with the minimum standards of any enforceable ordinance or law that:
 1. regulates the repair or replacement of any **property**;
 2. requires the tearing down of parts of any **property** not damaged by a **covered peril** and
 3. is in force prior to the date of the direct physical loss or damage,

not to exceed the applicable number of months shown as Indemnity Period in the Declarations, beginning on the date of the direct physical loss or damage to **property**.

The expiration date of this policy will not cut short the **period of restoration**.

If loss or damage occurs at a:

- **dependent business premises**; or
- utility,

for the purpose of determining **period of restoration** following such loss or damage, **property** includes:

- **personal property of a utility**; or
- **personal property of a dependent business premises**.

In determining the **business income** amount that would have existed if no direct physical loss or damage occurred, we will reduce such amount to the extent necessary to reflect unfavorable economic conditions attributable to the impact the **covered peril** had in the geographic area where the lost or damaged **property** is located.

Period of restoration does not include any increased period required to comply with any ordinance or law:

- you were required to comply with before the direct physical loss or damage;
- involving any property outside the legal boundary of the premises shown in the Declarations;
- that regulates the repair or replacement of any property that was lost or damaged by an excluded peril. If direct physical loss or damage is caused by or results from both a **covered peril** and an excluded peril, the **period of restoration** only includes the length of time required to repair or replace the property lost or damaged by a **covered peril**; or

Amended Definitions

Period Of Restoration (continued)

- that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **fungus or pollutants**, except as provided under the Fungus Clean-up Or Removal Premises Coverage or the Pollutant Clean-up Or Removal Additional Coverage.

Personal Property

Personal property means:

- all your business personal property;
- business personal property you lease;
- **personal property of others;**
- labor, materials and services furnished or arranged by you on **personal property of others;**
- signs, fixtures, glass and other **tenant's improvements and betterments;** and
- glass in **buildings** you do not own if you are legally or contractually required to maintain such glass.

Personal property does not mean:

- **building, except tenant's improvements and betterments** and glass in **buildings** you do not own if you are legally or contractually required to maintain such glass;
- land, water or air, either inside or outside of a structure;
- retaining walls;
- **natural resources;**
- **oil and gas lease property;**
- **mobile equipment or mobile equipment of others;**
- dams, cofferdams, dikes, levees, impoundments, penstock, or any other natural or manmade structure designed or intended to contain, divert, impound or direct water, mine tailings, mine waste or any other liquid substance, or their contents;
- excavations, gradings, fillings, backfillings, shafts, slopes, drifts, borings, mine or other pits, pitwalls, heap leach pads or heaps;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- watercraft or other marine vessels;
- aircraft;
- **electronic data;**
- **money or securities;**

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***Mining Property Extension For
Property/Business Income Insurance***

Amended Definitions

***Personal Property
(continued)***

- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, except as provided under the Deferred Payments Additional Coverage;
- import shipments prior to either discharge from aircraft or oceangoing vessel or termination of the risk assumed by cargo insurance;
- export shipments prior to either being loaded on aircraft or oceangoing vessel or having come under the protection of cargo insurance;
- animals;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

***Personal Property Of A
Dependent Business
Premises***

Personal property of a dependent business premises means business personal property owned or leased by a dependent business premises.

Personal property of a dependent business premises does not mean:

- **building;**
- land, water or air, either inside or outside of a structure;
- retaining walls;
- **natural resources;**
- **oil and gas lease property;**
- **mobile equipment or mobile equipment of others;**
- dams, cofferdams, dikes, levees, impoundments, penstock, or any other natural or manmade structure designed or intended to contain, divert, impound or direct water, mine tailings, mine waste or any other liquid substance, or their contents;
- excavations, gradings, fillings, backfillings, shafts, slopes, drifts, borings, mine or other pits, pitwalls, heap leach pads or heaps;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- watercraft or other marine vessels;
- aircraft;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- animals;

Amended Definitions

Personal Property Of A Dependent Business Premises (continued)

- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

Personal Property Of A Utility

Personal property of a utility means personal property owned or leased by a utility.

Personal property of a utility does not mean:

- **building;**
- land, water or air, either inside or outside of a structure;
- retaining walls;
- **natural resources;**
- **oil and gas lease property;**
- **mobile equipment or mobile equipment of others;**
- dams, cofferdams, dikes, levees, impoundments, penstock, or any other natural or manmade structure designed or intended to contain, divert, impound or direct water, mine tailings, mine waste or any other liquid substance, or their contents;
- excavations, gradings, fillings, backfillings, shafts, slopes, drifts, borings, mine or other pits, pitwalls, heap leach pads or heaps;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- watercraft or other marine vessels;
- aircraft;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- animals;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

Personal Property Of Employees

Personal property of employees means personal property owned or leased by your employees and in your care, custody or control.

Personal property of employees does not mean:

- **building;**

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***Mining Property Extension For
Property/Business Income Insurance***

Amended Definitions

***Personal Property Of
Employees
(continued)***

- land, water or air, either inside or outside of a structure;
- retaining walls;
- **natural resources;**
- **oil and gas lease property;**
- **mobile equipment or mobile equipment of others;**
- dams, cofferdams, dikes, levees, impoundments, penstock, or any other natural or manmade structure designed or intended to contain, divert, impound or direct water, mine tailings, mine waste or any other liquid substance, or their contents;
- excavations, gradings, fillings, backfillings, shafts, slopes, drifts, borings, mine or other pits, pitwalls, heap leach pads or heaps;
- growing crops;
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines required to be licensed for use on public roads;
- trailers;
- **contractors' equipment;**
- watercraft or other marine vessels;
- aircraft;
- **electronic data;**
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- animals;
- any personal property which is in or below underground mines or mine shafts; or
- **mobile communication property.**

The following definitions are added:

Additional Definitions

***Mobile Equipment Of
Others***

Mobile equipment of others means mobile machinery and equipment, including accessories, tools and spare parts for such machinery and equipment, usual to your business which you do not own or lease, and for which you are legally liable.

Mobile equipment of others does not mean:

- aircraft;
- watercraft or other marine vessels;

Additional Definitions

Mobile Equipment Of Others (continued)

- vehicles required to be licensed for highway use, except vehicles on which your mobile machinery or equipment is permanently mounted;
- shafts, slopes, drifts, borings, tunnels, mine or other pits or pitwalls, adits or other mine openings;
- office equipment, which is the contents of trailers, unless that equipment is otherwise shown;
- property while waterborne, except while **in transit**; or
- property while leased or loaned to others.

Natural Resources

Natural resources means:

- stones, metals or other minerals; or
- oil, gas, uranium or other fuels,

in a natural or processed state.

Natural resources does not mean stones, metals or other minerals, or oil, gas, uranium or other fuels that are, or will become, a permanent part of a structure you own, lease or occupy.

Oil And Gas Lease Property

Oil and gas lease property means pumps, compressors, separators, dehydrators, pipes, pumpjacks, motors, tanks, or other similar machinery or equipment of a moveable nature which are:

- A. situated at:
 1. an oil or gas well or processing facility where oil or gas from such well or facility is processed;
 2. a salt water disposal well; or
 3. a water, gas or other injection well;
- B. usual to the operation of an oil or gas well, processing facility, salt water disposal well, or water, gas or other injection well; and
- C. owned or controlled by you.

Oil and gas lease property does not mean:

- derricks, drilling rigs and drilling tools, well servicing or workover equipment;
- mud, chemicals, cement or other materials used with machinery and equipment to facilitate drilling or well operations and the storage areas used for them;
- property located offshore or beyond shore lines;
- pull rods and supports from powerhouse to wells;
- aircraft;
- watercraft or other marine vessels;
- vehicles or machines required to be licensed for use on public roads;
- **mobile equipment or mobile equipment of others;**
- petroleum, petroleum based substances, natural gas or any element or by-product thereof;

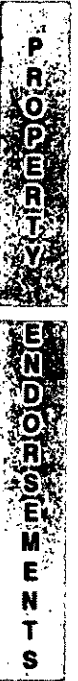
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***Mining Property Extension For
Property/Business Income Insurance***

Additional Definitions

***Oil And Gas Lease
Property
(continued)***

- oil tanks of 10,000 barrels capacity or more; or
- overhead communication, transmission or distribution equipment.



Property Insurance Section

Endorsements

CHUBB®

Property Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

BUILDING AND PERSONAL PROPERTY
BUSINESS INCOME WITH EXTRA EXPENSE
ELECTRONIC DATA PROCESSING PROPERTY
EXTRA EXPENSE
ACCOUNTS REC., FINE ARTS, MONEY & SEC., VALUABLE PAPERS
PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS

Under Loss Payment Limitations, and only with respect to the forms shown above that:

- contain an Electronic Data Loss Payment Limitation, such limitation is deleted and replaced with the following; or
- do not contain an Electronic Data Loss Payment Limitation, the following is added:

**Loss Payment
Limitations**

Electronic Data

We will not pay for any loss or damage to **electronic data** caused by or resulting from **malicious programming**, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

If Business Income With Extra Expense, Business Income With Extra Expense And Research And Development Income, Rental Income, Business Income Without Extra Expense, Extra Expense or Valued Use and Occupancy are shown above, the following applies.

Property Endorsement
(continued)

Under Loss Payment Limitations, the provision titled Electronic Data is deleted and replaced with the following:

**Loss Payment
Limitations**

Electronic Data

We will not pay for any:

- **business income** loss;
- **rental income** loss;
- **extra expense**; or
- **valued use and occupancy** loss,

you incur caused by or resulting from direct physical loss or damage to **electronic data** caused by or resulting from **malicious programming**, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Definitions

Under Definitions, the definition of Technology Peril is deleted and replaced with the following:

Technology Peril

Technology peril:

- A. means a peril not otherwise excluded.
- B. does not mean **malicious programming**.

Paragraph B. only applies to **electronic data**.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Property Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PTI
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS

The following changes are made as respects exposures in the state of West Virginia.

Under Conditions, Appraisal and Loss Payment are deleted and replaced with the following:

Conditions

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon an umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.

A written decision agreed to by any two will be binding.

Each party will:

- pay its chosen appraiser, and
- bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

Conditions
(continued)

Loss Payment

- A. We will pay for covered loss or damage within 15 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:
 - 1. we have reached agreement with you on the amount of loss; or
 - 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the covered property.
- C. We may adjust losses with the owners of lost or damaged covered property if other than you. If we pay the owners, such payment will satisfy your claims against us for the owners' covered property. We will not pay the owners more than their financial interest in such property.
- D. We may elect to defend you against suits arising from claims of owners of covered property. We will do this at our expense.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Property Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

**BUILDING AND PERSONAL PROPERTY
PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS**

Under Loss Payment Basis, the following provision is added:

Loss Payment Basis

Valued Policies

When this policy is written to insure any **building**:

- against loss or damage caused by or resulting from a peril not otherwise excluded; and
- which is located in a jurisdiction which requires that in the event of total loss to such **building**, the limit of insurance applicable to such **building** shall be the true value of the **building** and the true amount of the loss,

we will pay no more than the lesser of the:

- applicable Limit Of Insurance under this policy that applies to the **building**;
- actual cash value of that part of the **building** damaged; or
- cost to repair or replace the damaged **building** after application of deductible without deduction for depreciation.

This Valued Policies Loss Payment Basis does not apply to any **building** subject to a Limit of Insurance applicable to:

- more than one **building**; or
- **building** and any other coverage combined.

Property Endorsement
(continued)

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Property Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

BUILDING AND PERSONAL PROPERTY
 PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
 BUSINESS INCOME WITH EXTRA EXPENSE
 EXTRA EXPENSE
 ELECTRONIC DATA PROCESSING PROPERTY

If Business Income With Extra Expense, Business Income With Extra Expense And Research And Development Income, Rental Income, Business Income Without Extra Expense or Extra Expense, is shown above, the following are added under Premises Coverages:

Premises Coverages**Alternative Power
Generation**

We will pay for the actual:

- A. **extra expense** you incur, if such coverage is provided:
1. due to the actual or potential impairment of your **operations**; and
 2. during the **period of restoration**,
to purchase substitute power from a third party; and
- B. **business income** or **rental income** loss you incur, if such coverage is provided:
1. due to the actual impairment of your **operations**; and
 2. during the **period of restoration**.

due to the loss of credits, reimbursements, rebates or other sums you receive from a third party that utilizes surplus power that you generate from **alternative power generating equipment**.

The actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **alternative power generating equipment**.

Property Endorsement
(continued)

This Premises Coverage applies until the **alternative power generating equipment** is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

The most we will pay for Alternative Power Generation loss is the applicable Limit Of Insurance for Business Income, Rental Income or Extra Expense shown in the Declarations.

This Alternative Power Generation Premises Coverage does not apply at any premises that supplies your premises with utility services.

Alternative Water Systems

We will pay for the actual **extra expense** you incur:

- due to the actual or potential impairment of your **operations**; and
- during the **period of restoration**.

to purchase substitute water from a third party.

The actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril to alternative water system**.

This Premises Coverage applies until the **alternative water system** is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

The most we will pay for Alternative Water Systems loss is the applicable Limit Of Insurance for Business Income or Extra Expense shown in the Declarations.

This Alternative Water Systems Premises Coverage does not apply at any premises that supplies your premises with utility services.

Loss Payment Basis

Under Loss Payment Basis, the following is added:

Green Standards

Subject to the applicable Limits Of Insurance shown in the Declarations, if you repair or replace covered property, the valuation will include necessary and incurred expenses to:

- hire professionals accredited pursuant to **green standards** to participate in the repair or replacement of the covered property;
- register and certify the repaired or replaced covered property pursuant to **green standards**;
- dispose of debris, certified pursuant to **green standards**, at recycling facilities, if such debris can be recycled; and
- ventilate the repaired or replaced covered property in a manner consistent with **green standards**.

When direct physical loss or damage is caused by or results from both:

- a peril not otherwise excluded; and

CHUBB®**Property Insurance****Endorsement****Effective Date** JULY 1, 2018**Policy Number** 3711-55-64 PIT

-
- an excluded peril,

the valuation will not include the **green standards** costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including **green standards** costs, unless the **green standards** apply solely to that portion of the covered property which suffered the covered direct physical loss or damage.

This Loss Payment Basis does not include any increase in costs, loss or damage;

- to clean up or remove **pollutants** from land, water or air either inside or outside of a **building**;
- to clean up, remove, restore or replace covered property because of the presence of **fungus** either inside or outside of a **building**;
- to clean up, remove, restore or replace polluted land, water or air either inside or outside of a **building**; or
- attributable to any **green standards** you did not comply with before the loss, regardless of when such **green standards** became effective.

This Green Standards Loss Payment Basis does not apply to:

- loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination;
 - the Fungus Clean-up Or Removal Premises Coverage or Pollutant Clean-up Or Removal Additional Coverage; or
 - **stock**.
-

Definitions

Under Definitions, the following are added:

**Alternative Power
Generating Equipment**

Alternative power generating equipment means equipment that has been certified pursuant to **green standards**, which is used in:

- solar energy systems;
- wind energy systems;
- geothermal energy systems;

Property Endorsement
(continued)

- low impact hydroelectric systems; or
- any other system that generates electricity from renewable resources.

Alternative Water System

Alternative water system means equipment situated above or below ground which is used to collect and circulate gray water, ground water or rain water to the domestic, non-potable water supply of a building or to water treatment facilities or outside irrigation facilities at the premises shown in the Declarations.

Alternative water system does not include underground pipes or sprinkler heads intended solely for landscape irrigation.

Green Standards

Green standards means:

- the LEED[®] Green Building Rating System[™] of the United States Green Building Council;
- requirements of the Green Globes[®] Assessment And Rating System of the Green Building Initiative;
- Energy Star[®] qualified requirements; or
- other site development, water savings, energy efficiency, materials or equipment selection and other environmental quality standards for the design and construction of property.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Property Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
BUSINESS INCOME WITH EXTRA EXPENSE

**Special Waiting
Period Provision**

A new section called Special Waiting Period Provision is added to the contracts shown above.
Wherever used within any property contract or property endorsement contained in this policy, the phrase "normal business hours" is deleted and replaced with "consecutive hours".

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Property Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
 BUSINESS INCOME WITH EXTRA EXPENSE
 EXTRA EXPENSE

SCHEDULE

Per Occurrence Prohibition Of Access Limit Of Insurance: \$ 50,000
 Annual Aggregate Prohibition Of Access Limit Of Insurance: \$ 100,000

If Business Income With Extra Expense or Business Income With Extra Expense And Research And Development Income is shown above, the following is added under Additional Coverages:

Additional Coverages**Prohibition Of Access**

We will pay for the actual:

- **business income** loss; and
- **extra expense**.

you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to a premises shown in the Declarations by a civil authority, not to exceed the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access shown in the Schedule above.

This prohibition of access must be the direct result of a peril (not otherwise excluded by the Building And Personal Property Contract included in this policy) that:

- A. has occurred at or within 1,000 feet of such premises; or

Property Endorsement
(continued)

B. is certain to occur imminently, provided the prohibition of access:

1. does not apply to a geographic area of more than 1,000 square feet; or
2. only applies to a premises shown in the Declarations.

The coverage will begin immediately following the time the civil authority prohibits access.

The coverage will apply for a period of:

- up to 30 consecutive days after the coverage begins; or
- when your **business income** loss ends,

whichever occurs first.

This Additional Coverage does not apply:

A. if the prohibition of access is caused by or results from:

1. direct physical loss or damage to property;
2. weather conditions; or
3. earthquake or **flood**; or

B. to **business income** loss, unless a Limit Of Insurance for Business Income is shown in the Declarations applicable to the premises where prohibition of access occurred.

If Business Income Without Extra Expense is shown above, the following is added under Additional Coverages:

Additional Coverages

Prohibition Of Access

We will pay for the actual **business income** loss you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to a premises shown in the Declarations by a civil authority, not to exceed the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access shown in the Schedule above.

This prohibition of access must be the direct result of a peril (not otherwise excluded by the Building And Personal Property Contract included in this policy) that:

- A. has occurred at or within 1,000 feet of such premises; or
- B. is certain to occur imminently, provided the prohibition of access:
 1. does not apply to a geographic area of more than 1,000 square feet; or
 2. only applies to a premises shown in the Declarations.

CHUBB®**Property Insurance****Endorsement****Effective Date** JULY 1, 2018**Policy Number** 3711-55-64 PIT

The coverage will begin immediately following the time the civil authority prohibits access.

The coverage will apply for a period of:

- up to 30 consecutive days after the coverage begins; or
- whenever your **business income** loss ends,

whichever occurs first.

This Additional Coverage does not apply:

- A. if the prohibition of access is caused by or results from:
 1. direct physical loss or damage to property;
 2. weather conditions; or
 3. earthquake or flood; or
 - B. to **business income** loss, unless a Limit Of Insurance for Business Income is shown in the Declarations applicable to the premises where prohibition of access occurred.
-

If Rental Income is shown above, the following is added under Additional Coverages:

Additional Coverages**Prohibition Of Access**

We will pay for the actual **rental income** loss you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to a premises shown in the Declarations by a civil authority, not to exceed the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access shown in the Schedule above.

This prohibition of access must be the direct result of a peril (not otherwise excluded by the Building And Personal Property Contract included in this policy) that:

- A. has occurred at or within 1,000 feet of such premises; or
- B. is certain to occur imminently, provided the prohibition of access:
 1. does not apply to a geographic area of more than 1,000 square feet; or
 2. only applies to a premises shown in the Declarations.

The coverage will begin immediately following the time the civil authority prohibits access.

Property Endorsement
(continued)

The coverage will apply for a period of:

- up to 30 consecutive days after the coverage begins; or
- when your **rental income** loss ends,

whichever occurs first.

This Additional Coverage does not apply:

- A. if the prohibition of access is caused by or results from:
 - 1. direct physical loss or damage to property;
 - 2. weather conditions; or
 - 3. earthquake or **flood**; or
- B. to **rental income** loss, unless a Limit Of Insurance for Rental Income is shown in the Declarations applicable to the premises where prohibition of access occurred.

If Extra Expense is shown above, the following is added under Additional Coverages:

Additional Coverages

Prohibition Of Access

We will pay for the actual **extra expense** you incur due to the actual impairment of your **operations**, directly caused by the prohibition of access to a premises shown in the Declarations by a civil authority, not to exceed the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access shown in the Schedule above.

This prohibition of access must be the direct result of a peril (not otherwise excluded by the Building And Personal Property Contract included in this policy) that:

- A. has occurred at or within 1,000 feet of such premises; or
- B. is certain to occur imminently, provided the prohibition of access:
 - 1. does not apply to a geographic area of more than 1,000 square feet; or
 - 2. only applies to a premises shown in the Declarations.

The coverage will begin immediately following the time the civil authority prohibits access.

The coverage will apply for a period of:

- up to 30 consecutive days after the coverage begins; or
- whenever your **extra expense** is no longer required,

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Effective Date JULY 1, 2018

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whichever occurs first.

This Additional Coverage does not apply:

A. if the prohibition of access is caused by or results from:

1. direct physical loss or damage to property;
2. weather conditions; or
3. earthquake or flood; or

B. to **extra expense**, unless a Limit Of Insurance for Extra Expense is shown in the Declarations applicable to the premises where prohibition of access occurred.

Under Limits of Insurance, the following is added.

Limits Of Insurance

Prohibition Of Access

The most we will pay under the Prohibition Of Access Additional Coverage in any one prohibition of access, directly resulting from:

A. a peril; or

B. series of perils that:

1. contribute concurrently to; or
2. contribute in any sequence to,

such prohibition of access,

regardless of the number of premises, is the amount of **business income** or **rental income** loss and **extra expense**, if such coverage is provided, not to exceed the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access shown in the Declarations.

If an Annual Aggregate Limit Of Insurance for Prohibition Of Access is shown in the Schedule above, then subject to the applicable Per Occurrence Limit Of Insurance for Prohibition Of Access, the most we will pay under the Prohibition Of Access Additional Coverage during any consecutive 12-month period, beginning with the effective date shown in the Declarations, is the Annual Aggregate Limit Of Insurance for Prohibition Of Access shown in the Schedule above.

Property Endorsement
(continued)

Under Loss Payment Limitations, the following is added:

**Loss Payment
Limitations**

Prohibition Of Access

Except as provided under the Prohibition Of Access Additional Coverage, we will not pay for any **business income loss, rental income loss or extra expense** caused by the prohibition of access:

- to a premises shown in the Declarations; and
- by a civil authority,

that is not a result of direct physical loss or damage.

All other terms and conditions remain unchanged.

Authorized Representative



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Property Insurance

Endorsement

<i>Policy Period</i>	JULY 1, 2018 TO JULY 1, 2019
<i>Effective Date</i>	JULY 1, 2018
<i>Policy Number</i>	3711-55-64 PIT
<i>Insured</i>	RAMACO RESOURCES, INC.
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	JULY 17, 2018

This Endorsement applies to the following forms:

BUILDING AND PERSONAL PROPERTY
PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS

Under Loss Payment Basis, the following provision is added:

Loss Payment Basis

Valued Policies

When this policy is written to insure any **building**:

- against loss or damage caused by or resulting from a peril not otherwise excluded; and
- which is located in a jurisdiction which requires that in the event of total loss to such **building**, the limit of insurance applicable to such **building** shall be the true value of the **building** and the true amount of the loss,

we will pay no more than the lesser of the:

- applicable Limit Of Insurance under this policy that applies to the **building**; or
- cost to repair or replace the damaged **building** after application of deductible without deduction for depreciation.

Loss Payment Basis

Valued Policies
(continued)

This Valued Policies Loss Payment Basis does not apply to any **building** subject to a Limit of Insurance applicable to:

- more than one **building**; or
- **building** and any other coverage combined.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Property Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

ACCOUNTS RECEIVABLE
 BUILDING AND PERSONAL PROPERTY
 BUSINESS INCOME WITH EXTRA EXPENSE
 ELECTRONIC DATA PROCESSING PROPERTY
 EXTRA EXPENSE
 FINE ARTS
 MONEY AND SECURITIES
 VALUABLE PAPERS
 MINING PROPERTY EXTENSION FOR PROPERTY/BUSINESS INCOME INSURANCE
 IMPAIRMENT OF COMPUTER SERVICES-MALICIOUS PROGRAMMING

A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions**Certified Act Of
Terrorism Exclusion**

This insurance does not apply to loss or damage caused directly or indirectly by a **certified act of terrorism**, regardless of any other cause or event that contributes:

- concurrently; or
 - in any sequence,
- to the loss or damage.

This Certified Act Of Terrorism exclusion does not apply to ensuing loss or damage caused by or resulting from fire. This exception for fire applies:

- only to direct physical loss or damage by fire to **building or personal property**. Therefore, for example, the exception does not apply to insurance provided under **business income** and/or **extra expense** or endorsements which apply to these forms, or to the Care, Custody Or Control Legal Liability or Leasehold Interest contracts; and

Property Endorsement

(continued)

- if the fire would be covered under this insurance and there is a law in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage.

Application Of Other Exclusions

The terms and limitations of any terrorism exclusion or sublimit, or the inapplicability or omission of a terrorism exclusion or sublimit, do not serve to create coverage for any loss which would otherwise be excluded or sublimited under this policy, such as losses excluded by the Nuclear Hazard exclusion or the War And Military Action exclusion.

Ordinance Or Law Loss Payment Basis

The Ordinance Or Law Loss Payment Basis provision does not apply to loss or damage caused by or resulting from fire which ensues from a **certified act of terrorism**.

Ensuing Fire Loss Payment Basis Exception

Building or personal property which suffers direct physical loss or damage caused by or resulting from fire which ensues from a **certified act of terrorism** is valued on an actual cash value basis, subject to all other exceptions described under Loss Payment Basis Exceptions.

Cap On Ensuing Fire Resulting From Certified Terrorism Losses

If:

- aggregate insured losses attributable to one or more **certified acts of terrorism** under the **terrorism law** exceed \$100 billion in a calendar year; and
- we have met our insurer deductible under the **terrorism law**,

we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism

Certified act of terrorism means any act that is certified by the Secretary of the Treasury of the United States to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
- B. that results in damage:
 1. within the **United States**; or
 2. outside of the **United States** in the case of:
 - a. an air carrier or vessel as described in the **terrorism law**; or

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Effective Date JULY 1, 2018

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b. the premises of a mission of the United States of America,
which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
- influence the policy or affect the conduct of the Government,
of the United States.

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the United States; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 as amended.

United States

United States means:

- a state; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Property Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

BUILDING AND PERSONAL PROPERTY
 PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
 MINING PROPERTY EXTENSION FOR PROPERTY/BUSINESS INCOME INSURANCE

SCHEDULE

Premises: WV RT 80 BLDG # 1
 VERNER, WEST VIRGINIA 25650

Premises: US RT 460 & FORK RIDGE RD BLDG # 1
 RAVEN, VIRGINIA 24639

Premises: 301 R H L BLVD BLDG # 1
 SUITE 12 - 2ND FLOOR
 CHARLESTON, WEST VIRGINIA 25309

Premises: WV RT 80 BLDG # 1
 VERNER, WEST VIRGINIA 25650

Premises: WV RT 80 BLDG # 2
 VERNER, WEST VIRGINIA 25650

Premises: 250 W MAIN ST BLDG # 1
 SUITE 1800
 LEXINGTON, KENTUCKY 40507

Policy language follows

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Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Under Additional Exclusions and only with respect to the premises shown in the Schedule above, the Electric Arcing and Steam Boiler exclusions are deleted.

Additional Exclusions

Electric Arcing

Steam Boiler

Under Policy Exclusions and only with respect to the premises shown in the Schedule above, the Mechanical Breakdown exclusion is deleted and replaced by the following:

Policy Exclusions

**Mechanical Breakdown
(Other Than Abrupt And
Accidental)**

This insurance does not apply to loss or damage caused by or resulting from mechanical breakdown.

This Mechanical Breakdown (Other Than Abrupt And Accidental) exclusion does not apply to:

- A. abrupt and accidental breakdown of **mechanical or electrical system or apparatus** which causes direct physical loss or damage to all or part of that **mechanical or electrical system or apparatus** provided the direct physical loss or damage becomes manifest at the time of the breakdown that caused it.

Abrupt and accidental breakdown of **mechanical or electrical system or apparatus** does not include:

1. rust, oxidation or corrosion;
2. faulty, inadequate or defective design, plan, specifications or installation;
3. failure of **mechanical or electrical system or apparatus** to perform in accordance with plans or specifications; or
4. freezing caused by or resulting from weather conditions; or

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Policy Exclusions

***Mechanical Breakdown
(Other Than Abrupt And
Accidental)
(continued)***

B. ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Property Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

ACCOUNTS REC., FINE ARTS, MONEY & SEC., VALUABLE PAPERS
 BUILDING AND PERSONAL PROPERTY
 BUSINESS INCOME WITH EXTRA EXPENSE
 ELECTRONIC DATA PROCESSING PROPERTY
 EXTRA EXPENSE
 PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
 MINING PROPERTY EXTENSION FOR PROPERTY/BUSINESS INCOME INSURANCE

SCHEDULE

Policy Annual Aggregate Limit Of Insurance: \$ 10,000,000

FLOOD INCLUDES INUNDATION, BACK-UP AND MUDFLOW

Premises Limits, Deductible or Waiting Period:

Premises Annual Aggregate Limit Of Insurance:	\$ 10,000,000
Per Occurrence Limit Of Insurance:	\$ 10,000,000
Property Damage Dollar Deductible:	\$ 500,000

Premises: WV RT 80
 VERNER, WEST VIRGINIA 25650
 COUNTY OF MINGO

Policy language follows

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Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Under Additional Exclusions, and only with respect to the premises shown in the Schedule above, the Flood and Mudslide Or Mudflow exclusions are deleted from the forms shown above.

Additional Exclusions

Flood

- A. Except as provided in paragraph E. below, this endorsement applies to the:
1. Premises Coverages;
 2. Additional Coverages; and
 3. Debris Removal Coverage,
- applicable to the premises shown in the Schedule above, only if a Limit Of Insurance for such coverage is shown in the Declarations at such premises shown in the Schedule above.
- B. This endorsement does not apply to:
1. the Additional Coverages for:
 - a. Any Other Location;
 - b. Exhibition, Fair Or Trade Show; or
 - c. Newly Acquired Premises; and
 2. any premises not shown in the Schedule above.
- C. If any form shown above does not contain an exclusion for Flood or Mudslide Or Mudflow, the terms and conditions of this endorsement apply to such forms to the extent such forms apply at a premises shown in the Schedule above.
- D. If the Electronic Data Processing Property form is shown above, the terms and conditions of this endorsement apply to such form to the extent such form applies at a premises shown in the Schedule above.
- E. The Flood exclusion and any **flood** limitations are not deleted and remain in effect for:
1. Civil Authority;
 2. Dependent Business Premises;
 3. Fungus Clean-up Or Removal;
 4. Ingress And Egress;
 5. Loss Of Utilities; and
 6. Pollutant Clean-up And Removal,
- unless these Premises Coverages or Additional Coverages are shown in the Schedule above.

CHUBB®**Additional Exclusions****Flood**
(continued)

These Premises Coverages and Additional Coverages apply only at those premises where such Premises Coverages and Additional Coverages are shown in the Schedule above and do not apply to any premises to which the Any Other Location, Newly Acquired Property and Exhibition, Fair Or Trade Show Additional Coverages apply.

Under Limits Of Insurance, and only with respect to the premises shown in the Schedule above and the forms shown above, the following is added:

Limits Of Insurance**Flood****A. Per Occurrence Limit Of Insurance**

Subject to the:

1. Policy Annual Aggregate Limit Of Insurance described in paragraph C. below and shown in the Schedule above;
2. Applicable Premises Annual Aggregate Limit Of Insurance described in paragraph B. below and shown under Premises Limits in the Schedule above; and
3. Applicable Property Damage Dollar Deductible, Property Damage Percentage Deductible or Waiting Period shown under Premises Limits in the Schedule above,

the most we will pay at all premises to which such limit applies, in any **occurrence**, for direct physical loss or damage to property and **business income** or **rental income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **flood**, is the lesser of the applicable:

4. Limits Of Insurance shown in the Declarations; or
5. Per Occurrence Limit Of Insurance shown in the Schedule above,

regardless of any other cause or event that directly or indirectly:

6. contributes concurrently to; or
7. contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

B. Premises Annual Aggregate Limit Of Insurance

Subject to the Policy Annual Aggregate Limit Of Insurance, the applicable Premises Annual Aggregate Limit Of Insurance shown in the Schedule above is the most we will pay at all premises to which such limit applies, during any consecutive 12-month period, beginning with the effective date shown in the Declarations, for direct physical loss or damage to property and resulting **business income** or **rental income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **flood**, regardless of any other cause or event that directly or indirectly:

1. contributes concurrently to; or
2. contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

CHUBB®**Property Insurance****Endorsement**

Effective Date JULY 1, 2018

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Limits Of Insurance**Flood**
(continued)**C. Policy Annual Aggregate Limit Of Insurance**

The Policy Annual Aggregate Limit Of Insurance shown in the Schedule above is the most we will pay at all premises shown in the Schedule above during any consecutive 12-month period, beginning with the effective date shown in the Declarations, for direct physical loss or damage to property and resulting **business income** or **rental income** loss and **extra expense**, if such coverage is provided, caused by or resulting from **flood**, regardless of any other cause or event that directly or indirectly:

1. contributes concurrently to; or
2. contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

For the peril of **flood**, the deductible provision is deleted:

- only with respect to the forms shown above; and
- for the premises shown in the Schedule above,

and is replaced with the following:

Deductible**A. Under Deductible, and for the premises shown in the Schedule above:**

1. the percentage deductible shown for the applicable premises will apply; or
2. if no percentage deductible is shown, then the Property Damage Dollar Deductible amount shown for the applicable premises will apply.

B. In no event will the deductible amount determined above be less than the applicable Property Damage Minimum Dollar Deductible amount shown in the Schedule above.**C. The most we will pay, in any **occurrence** for direct physical loss or damage to property:**

1. after application of Coinsurance, if applicable;
2. in excess of the applicable Property Damage Percentage Deductible or Property Damage Dollar Deductible shown in the Schedule above; and
3. for all the applicable property coverages provided in the forms shown above,

if such loss or damage is caused by or results from **flood**, is the lesser of the applicable Limits Of Insurance shown in the Declarations or shown in the Schedule above, regardless of any other cause or event that directly or indirectly:

4. contributes concurrently to; or
5. contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

CHUBB®**Deductible**
(continued)

D. The applicable deductible shown in the Schedule above applies separately for each occurrence.

E. Property Damage Percentage Deductible:

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

1. Specific Insurance covers each type of coverage under separate specific Limits Of Insurance at one premises (for example: each **building** or **personal property** in a **building**).
2. Blanket and Loss Limit Of Insurance covers:
 - a. two or more types of coverage at one or more premises under a single Limit Of Insurance (for example: **building** and **personal property** in that **building** or **buildings** and **personal property** at two or more premises); or
 - b. one type of coverage at two or more premises under a single Limit Of Insurance (for example, **personal property** at two or more premises).

F. Types of coverages and corresponding Limits Of Insurance are the lesser of the Limits Of Insurance shown in the Declarations or in the Schedule above.

1. Specific Insurance:

In determining the amount, if any, that we will pay for loss or damage for each specific type of coverage that sustained direct physical loss or damage, we will separately for each type of coverage:

- a. apply the applicable deductible percentage shown in the Schedule above, to the applicable Limit Of Insurance shown in the Declarations; or
- b. if the applicable premises shown in the Schedule above shows Apply Percentage To Statement Of Values, we will multiply the deductible percentage shown in the Schedule above for that premises, by the 100% values you most recently furnished to us for the type of covered property that sustained direct physical loss or damage.

We will pay the loss or damage in excess of such deductible amount determined above, subject to the applicable Limit Of Insurance for each insured type of coverage.

2. Blanket Insurance and Loss Limit Of Insurance:

In determining the amount, if any, that we will pay for loss or damage for each premises shown in the Schedule above, we will separately at each premises that sustained loss or damage:

- a. apply the applicable percentage shown in the Schedule above to the sum of:
 - (1) the 100% values you most recently furnished to us for the types of covered property that sustained direct physical loss or damage; and
 - (2) the 100% values you most recently furnished to us for the same types of covered property that did not sustain direct physical loss or damage, but are located at the same premises that sustained loss or damage, to determine the applicable deductible; and
- b. pay the loss or damage in excess of such deductible amount determined above, subject to the applicable Limits Of Insurance for such covered property.

If a loss involves both specific insurance and blanket insurance, the deductible amount will be determined and apply separately for blanket insurance and separately for specific insurance, subject to their applicable respective Limits Of Insurance.

CHUBB®**Property Insurance****Endorsement****Effective Date** JULY 1, 2018**Policy Number** 3711-55-64 PIT**Deductible**
(continued)**G. Property Damage Dollar Deductible:**

1. The applicable **Limits Of Insurance** for the property coverages:
 - a. do not apply until the amount of loss or damage exceeds the applicable deductible amount shown above; and
 - b. apply in excess of the applicable deductible amount.
2. If two or more Property Damage Dollar Deductibles apply to the same **occurrence**, only the largest single Property Damage Dollar Deductible will apply unless otherwise stated.

H. Should you have **primary insurance which insures against loss or damage caused by or resulting from **flood**, if the amount of loss payable under your **primary insurance**:**

1. exceeds the **flood** deductible shown in the Schedule above, no deductible shall apply to **flood** under this policy; or
2. is less than the **flood** deductible shown in the Schedule above,
we will pay the amount of loss or damage (after deduction for **primary insurance**) in excess of the difference between:
 3. the **flood** deductible shown in the Schedule above; and
 4. the amount of loss payable under your **primary insurance**.

For the peril of **flood**, the Waiting Period provision is deleted:

- only with respect to the forms shown above;
- for the premises shown in the Schedule above;
- for any premises shown in the Declarations; and
- for any premises not shown in the Schedule above and not shown in the Declarations,

and is replaced by the following:

Waiting Period

Following covered direct physical loss or damage to **property** at the premises shown above and at any premises not shown in the Schedule above and not shown in the Declarations, we will pay the amount of **business income** or **rental income** loss that is incurred after the applicable Waiting Period shown in the Schedule above, not to exceed the applicable **Limits Of Insurance**.

The applicable Waiting Period shown in the Schedule above:

- applies separately for each **occurrence** and to each type of coverage that sustained direct physical loss or damage;
- begins immediately following the direct physical loss or damage to **property** by a **covered peril**;
- only applies at premises that suffers a **business income** or **rental income** loss; and
- does not apply to **extra expense**.

CHUBB®**Waiting Period***(continued)*

If no waiting period is shown in the Schedule above, the waiting period will be the:

- applicable waiting period shown in the Declarations or as otherwise shown; or
- first 24 normal business hours following the direct physical loss or damage, whichever is longer.

Hours shown for the waiting period are normal business hours.

Loss Payment Basis

Under Loss Payment Basis, the following is added:

In the event of loss or damage covered by this insurance and **primary insurance**, our valuation will include any difference in loss payment due to a difference in methods of valuation under this insurance and the **primary insurance**.

Definitions**Flood**

Under Definitions, the definition of Flood is deleted and replaced with the following:

Flood means:

- waves, tidal water or tidal waves; or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not; and

- mudslide or mudflow.

Flood does not include:

- a **specified peril** that ensues from flood; or
- tsunami resulting from earthquake.

Flood includes inundation, back-up and mudflow only when, Flood Includes Inundation, Back-Up And Mudflow is shown under premises in the Schedule above.

Definitions**Inundation, Back-up And Mudflow**

Under Definitions, the following definitions are added:

Inundation, back-up and mudflow means:

- A. surface water;
- B. water that backs up or overflows from a sewer, drain or sump; or
- C. water under the ground surface pressing on, or flowing or seeping through:
 1. foundations, walls, or paved surfaces;
 2. basements, whether paved or not; or
 3. doors, windows or other openings.

Inundation, back-up and mudflow does not mean ensuing loss or damage caused by or resulting from a **specified peril.**

CHUBB®

Property Insurance

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Effective Date JULY 1, 2018

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Definitions

(continued)

Primary Insurance

Primary insurance means insurance covering all or any part of the deductible amount stated in the Schedule above and includes insurance provided under the National Flood Insurance Program.

Primary insurance also means any other valid and collectible insurance covering any amount in excess of the deductible amount stated in the Schedule above, but does not mean any insurance provided by this policy.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Property Insurance

Endorsement

<i>Policy Period</i>	JULY 1, 2018 TO JULY 1, 2019
<i>Effective Date</i>	JULY 1, 2018
<i>Policy Number</i>	3711-55-64 PIT
<i>Insured</i>	RAMACO RESOURCES, INC.
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	JULY 17, 2018

This Endorsement applies to the following forms:

BUILDING AND PERSONAL PROPERTY
PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
MINING PROPERTY EXTENSION FOR PROPERTY/BUSINESS INCOME INSURANCE

SCHEDULE

Policy language follows

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Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Under Premises Coverage, and only with respect to the premises shown in the Schedule above, the following is added:

Premises Coverages

Natural Resources

We will pay for direct physical loss or damage to the **natural resources** described in the Schedule above caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Natural Resources Limit Of Insurance shown in the Schedule above.

This Premises Coverage does not apply to uranium or other nuclear or nuclear radioactive fuels.

Under Deductible, and only with respect to the premises shown in the Schedule above, Deductible is deleted and replaced with the following:

Deductible

Natural Resources

Subject to the applicable Limit Of Insurance, we will pay the amount of loss or damage to the **natural resources** described in the Schedule above, in excess of the applicable deductible amount shown in the Schedule above for each **occurrence**.

Under Loss Payment Limitations, the following is added:

**Loss Payment
Limitations**

Natural Resources

We will not pay for:

- loss or damage to **natural resources**, except as provided under the Natural Resources Premises Coverage; or

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**Loss Payment
Limitations**

**Natural Resources
(continued)**

- **business income loss or extra expense** caused by or resulting from direct physical loss or damage to **natural resources**.

All other terms and conditions remain unchanged.

Authorized Representative



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Property Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

ACCOUNTS REC., FINE ARTS, MONEY & SEC., VALUABLE PAPERS
BUILDING AND PERSONAL PROPERTY
ELECTRONIC DATA PROCESSING PROPERTY
PROPERTY/BUSINESS INCOME CONDITIONS & DEFINITIONS
MINING PROPERTY EXTENSION FOR PROPERTY/BUSINESS INCOME INSURANCE

SCHEDULE

Premises: WV RT 80 BLDG # 1
 VERNER, WEST VIRGINIA 25650
 COUNTY OF MINGO

 WV RT 80 BLDG # 2
 VERNER, WEST VIRGINIA 25650
 COUNTY OF MINGO

ADDITIONAL EXCLUSIONS
INUNDATION, BACK-UP AND MUDFLOW

Policy language follows

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Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Under Additional Exclusions, the following is added.

Additional Exclusions

The exclusions shown in the Schedule above and described in the Additional Exclusions section of this endorsement are added with respect to the:

- Premises Coverages, Additional Coverages and Debris Removal Coverage provided in the forms shown above; and
- premises shown in the Schedule above.

Change In Flavor

This insurance does not apply to:

- loss or damage, which is change in flavor, taste, color, texture, finish, appearance, smell or scent; or
- loss or damage caused by or resulting from change in flavor, taste, color, texture, finish, appearance, smell or scent,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Change In Flavor exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

Change In Temperature

This insurance does not apply to loss or damage caused by or resulting from natural or artificial:

- dampness or dryness of atmosphere; or
- changes in or extremes of temperature,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Change In Temperature exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

CHUBB®**Additional Exclusions***(continued)***Discharge Of Water**

This insurance does not apply to loss or damage caused by or resulting from water that escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such water is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Discharge Of Water exclusion does not apply to:

- water or other substance discharged from within any part of fire protection equipment; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

Inherent Vice Or Latent Defect

This insurance does not apply to loss or damage caused by or resulting from:

- inherent vice; or
- hidden or latent defect.

This Inherent Vice Or Latent Defect exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a **specified peril** or **water**.

Inundation, Back-Up And Mudflow

This insurance does not apply to loss or damage caused by or resulting from:

- A. surface water;
- B. mudslide or mudflow;
- C. water that backs up or overflows from a sewer, drain or sump; or
- D. water under the ground surface pressing on, flowing or seeping through:
 1. foundations, walls, or paved surfaces;
 2. basements, whether paved or not; or
 3. doors, windows or other openings,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Inundation, Back-up And Mudflow exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

CHUBB®**Property Insurance****Endorsement****Effective Date** JULY 1, 2018**Policy Number** 3711-55-64 PIT**Additional Exclusions***(continued)***Leakage From Fire
Protection Equipment**

This insurance does not apply to loss or damage caused by or resulting from:

- water or other substance discharged from within any part of the "fire protection equipment" for the premises or for adjoining premises;
- collapse of tanks forming a part of the "fire protection equipment", including the component parts or supports of those tanks; or
- freezing of "fire protection equipment".

"Fire protection equipment" means tanks, water mains, hydrants or valves and other equipment or its component parts whether used solely or jointly for fire protection, or for other purposes.

This Leakage From Fire Protection Equipment exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **leakage from fire protection equipment**.

Mine Subsidence

This insurance does not apply to loss or damage caused by or resulting from lateral or vertical movement, including collapse, caused by or resulting from the collapse of man-made underground mines.

This Mine Subsidence exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **mine subsidence**.

Riot Or Civil Commotion

This insurance does not apply to loss or damage caused by or resulting from civil disturbance, including:

- acts of your striking employees, striking employees of other tenants or striking employees of the building owner, while occupying the insured premises;
- any domestic, occasional, local or temporary outbreak of unlawful violence;
- any tumult caused by the gathering of a multitude of unruly individuals; or
- looting occurring at the time and place of such civil disturbance.

This Riot Or Civil Commotion exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **vandalism**.

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Additional Exclusions

(continued)

Rust

This insurance does not apply to loss or damage caused by or resulting from rust, oxidation, corrosion or discoloration.

This Rust exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Sinkhole Collapse

This insurance does not apply to loss or damage caused by or resulting from the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This Sinkhole Collapse exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **sinkhole collapse**.

Spoilage

This insurance does not apply to:

- loss or damage, which is spoilage, rapid decay or deterioration; or
- loss or damage caused by or resulting from spoilage, rapid decay or deterioration, regardless of any other cause or event that directly or indirectly:
 - contributes concurrently to; or
 - contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Spoilage exclusion does not apply to:

- loss or damage caused by or resulting from a **specified peril**; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

Theft

This insurance does not apply to loss or damage caused by or resulting from **theft**.

This Theft exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Vandalism

This insurance does not apply to loss or damage caused by or resulting from willful and malicious damage to or destruction of property.

This Vandalism exclusion does not apply to:

- loss or damage caused by or resulting from **theft**; or
- ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **vandalism**.

CHUBB®

Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Additional Exclusions
(continued)

Volcanic Action

This insurance does not apply to loss or damage caused by or resulting from:

- airborne volcanic blast or shock waves;
- ash, dust or particulate matter; or
- lava flows,

arising out of the eruption of a volcano and the costs to remove ash, dust or particulate matter from covered property arising out of the eruption of a volcano only when such ash, dust or particulate matter causes direct physical loss or damage to such covered property.

This Volcanic Action exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **volcanic action**.

Voluntary Parting

This insurance does not apply to loss or damage caused by or resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

This Voluntary Parting exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

Weight Of Snow, Ice Or Sleet

This insurance does not apply to loss or damage caused by or resulting from the weight of snow, ice, sleet, freezing rain or any other form of frozen precipitation, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Weight Of Snow, Ice Or Sleet exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

CHUBB®

Additional Exclusions

(continued)

Windstorm

This insurance does not apply to loss or damage caused by or resulting from:

- wind;
- wind-driven rain;
- erosion of soil or other land caused by or resulting from wind or wind-driven rain;
- hail; or
- collapse of a structure caused by or resulting from wind,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

This Windstorm exclusion does not apply to:

A. loss or damage caused by or resulting from:

1. frost;
2. cold weather;
3. snow; or
4. sleet or ice (other than hail),

whether driven by wind or not; or

B. ensuing loss or damage caused by or resulting from a **specified peril**.

For the purpose of this exclusion, **specified peril** does not include **windstorm**.

Under Definitions, the following are added:

Definitions

Leakage From Fire Protection Equipment

Leakage from fire protection equipment means:

- water or other substance discharged from within any part of the "fire protection equipment" for the premises or for adjoining premises;
- collapse of tanks forming a part of the "fire protection equipment", including the component parts or supports of those tanks; or
- freezing of "fire protection equipment".

"Fire protection equipment" means tanks, water mains, hydrants or valves and any other equipment or its component parts whether used solely or jointly for fire protection or for other purposes.

CHUBB®

Property Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Definitions
(continued)

Mine Subsidence **Mine subsidence** means lateral or vertical movement, including collapse, caused by or resulting from the collapse of man-made underground mines.

Sinkhole Collapse **Sinkhole collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

Theft **Theft** means the unlawful taking and carrying away of covered property with intent to deprive the rightful owner of that covered property.

Vandalism **Vandalism** means willful and malicious damage to or destruction of property.

Volcanic Action **Volcanic action** means:

- airborne volcanic blast or shock waves;
- ash, dust or particulate matter; or
- lava flows,

arising out of the eruption of a volcano and the costs to remove ash, dust or particulate matter from covered property arising out of the eruption of a volcano only when such ash, dust or particulate matter causes direct physical loss or damage to such covered property.

Windstorm **Windstorm** means:

- wind;
- wind-driven rain;
- erosion of soil or other land caused by or resulting from wind or wind-driven rain;
- hail; or
- collapse of a structure caused by or resulting from wind.

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Definitions

Windstorm
(continued)

Windstorm does not include:

- frost;
- cold weather;
- snow; or
- sleet or ice (other than hail),

whether driven by wind or not.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Liability Insurance****Schedule of Forms**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

The following is a schedule of forms issued as of the date shown above:

Form Number	Edition Date	Form Name	Effective Date	Date Issued
42-02-1678	10-01	WHO IS AN INSURED-DESIGNATED PERSON OR ORG.	07/01/18	07/17/18
42-02-0443	5-95	SCHEDULE OF EXPOSURE	07/01/18	07/17/18
42-02-0040	8-89	GENERAL LIABILITY DECLARATIONS	07/01/18	07/17/18
42-02-1004	10-01	GENERAL LIABILITY COVERAGE	07/01/18	07/17/18
42-02-1661	10-01	BLANKET WAIVER OF RIGHTS/RECOVERY AGNST OTHS	07/01/18	07/17/18
42-02-1670	10-01	EXCLUSION - RADIOACTIVE MATERIAL EXCEPTION	07/01/18	07/17/18
42-02-2367	1-15	DEFIN-INSR CONTRACT,INCL MOBILE EQUIP	07/01/18	07/17/18
80-02-2322	4-94	DEFENSE OUTSIDE LIMITS	07/01/18	07/17/18
80-02-6541	3-05	CONDITION - PREMIUM AUDIT	07/01/18	07/17/18
80-02-6568	9-10	EXCLUSION - FLOOD DAMAGE HAZARD	07/01/18	07/17/18
80-02-2012	6-98	EMPLOYEE BENEFITS ERRORS OR OMISSIONS	07/01/18	07/17/18
80-02-2324	11-06	NON-ACCUMULATION OF LIMITS OF INSURANCE	07/01/18	07/17/18
80-02-2653	7-09	PRIMARY NONCONTRIBUTORY-SCHEDULE PERS OR ORG	07/01/18	07/17/18
80-02-5280	6-10	EXCL-EMP LIAB, EXCPT FOR WRITTEN CONT OR AGRM	07/01/18	07/17/18
80-02-6400	1-15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM	07/01/18	07/17/18
80-02-6428	8-04	EXCLUSION-PROFESSIONAL LIABILITY, TOTAL	07/01/18	07/17/18
80-02-6552	5-05	EXCL ASBESTOS,SILICA,SIM CMPD INCL MIXED DUST	07/01/18	07/17/18
80-02-6595	5-06	DEDUCTIBLES	07/01/18	07/17/18
80-02-8290	5-10	EXCL - INTELLECTUAL PROPERTY LAWS OR RIGHTS	07/01/18	07/17/18
80-02-8423	4-12	EXCLUSION - LOSS OF USE ELECTRONIC DATA	07/01/18	07/17/18
80-02-8425	1-14	EXCL-ALCOHOLIC BEVERAGE TYPE BUSINESSES	07/01/18	07/17/18
80-02-8635	11-17	COV-PROD WITHDRWL EXP & CRISIS ASSISTANCE EXP	07/01/18	07/17/18

last page

CHUBB®**Energy Industries
General Liability Insurance****Declarations
Coverage Summary****Named Insured and Mailing Address**

RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Chubb Group of Insurance Companies
202B Hall's Mill Road
Whitehouse Station, NJ 08889

Policy Number 3711-55-64 PIT

Effective Date JULY 1, 2018

*Issued by the stock insurance company
indicated below, herein called the company.*

**FEDERAL INSURANCE
COMPANY**

Producer No. 0069381-99999

Producer USI INSURANCE SERVICES LLC
220 LEXINGTON GREEN #410
LEXINGTON, KY 40503-3336

*Incorporated under the laws of
INDIANA*

Policy Period

From: JULY 1, 2018 **To:** JULY 1, 2019
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Insurance applies only to those coverages for which a Limit of Insurance is shown. Audit period is annual unless otherwise indicated.

Coverage Summary**Limit Of Insurance****GENERAL LIABILITY**

GENERAL AGGREGATE LIMIT	\$ 2,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000
EACH OCCURRENCE LIMIT	\$ 1,000,000
ADVERTISING INJURY AND PERSONAL INJURY AGGREGATE LIMIT	\$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 1,000,000
MEDICAL EXPENSES LIMIT	\$ 10,000
BODILY INJURY AND PROPERTY DAMAGE DEDUCTIBLE - EACH EVENT	\$ 100,000

EMPLOYEE BENEFITS ERRORS OR OMISSIONS

Coverage Summary
(continued)

AGGREGATE LIMIT	\$ 1,000,000	
EACH CLAIM LIMIT	\$ 1,000,000	
DEDUCTIBLE - EACH CLAIM		\$ 1,000
RETROACTIVE DATE		JULY 1, 2016

Chubb. Insured.™

Liability Insurance For Energy Industries

General Liability

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Liability Insurance For Energy Industries

Contract

Please read the entire policy carefully. The terms and conditions of this insurance include the various sections of this contract: Coverages; Investigation, Defense And Settlements; Supplementary Payments; Coverage Territory; Who Is An Insured; Limits Of Insurance; Exclusions; Conditions, and Definitions, as well as the Declarations, Common Policy Conditions and any Endorsements and Schedules made a part of this insurance.

Throughout this contract the words "you" and "your" refer to the Named **Insured** shown in the Declarations and other persons or organizations qualifying as a Named **Insured** under this contract. The words "we," "us" and "our" refer to the Company providing this insurance.

In addition to the Named **Insured**, other persons or organizations may qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is An Insured section of this contract.

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

Coverages

Bodily Injury And Property Damage Liability Coverage

Subject to all of the terms and conditions of this insurance, we will pay damages that the **insured** becomes legally obligated to pay by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies.

This coverage applies only to such **bodily injury** or **property damage** that occurs during the policy period.

Damages for **bodily injury** include damages claimed by a person or organization for care or loss of services resulting at any time from the **bodily injury**.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

Advertising Injury And Personal Injury Liability Coverage

Subject to all of the terms and conditions of this insurance, we will pay damages that the **insured** becomes legally obligated to pay by reason of liability:

- imposed by law; or
- assumed in an **insured contract**;

for **advertising injury** or **personal injury** to which this coverage applies.

This coverage applies only to such **advertising injury** or **personal injury** caused by an offense that is first committed during the policy period.

Other than as provided under the Investigation, Defense And Settlements and Supplementary Payments sections of this contract, we have no other obligation or liability to pay sums or perform acts or services under this coverage.

Coverages
(continued)

Medical Expenses Coverage

Subject to all of the terms and conditions of this insurance, we will pay **medical expenses** for **bodily injury** caused by an accident to which this coverage applies:

- that takes place on premises rented to or owned by you; or
- in connection with your operations;

provided that such:

- accident occurs during the policy period;
- expenses are incurred and reported to us within three (3) years of the date of the accident; and
- person who sustained such **bodily injury** submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will make these payments regardless of fault.

We have no other obligation or liability under this coverage.

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and duty to defend the **insured** against a **suit**, even if such **suit** is false, fraudulent or groundless.

If such a **suit** is brought, we will pay reasonable attorney fees and necessary litigation expenses to defend:

- the **insured**; and
- if applicable, the indemnitee of the **insured**, provided the obligation to defend, or the cost of the defense of, such indemnitee has been assumed by such **insured** in an **insured contract**.

Such attorney fees and litigation expenses will be paid as described in the Supplementary Payments section of this contract.

We have no duty to defend any person or organization against any **suit** seeking damages to which this insurance does not apply.

We may, at our discretion, investigate any **occurrence** or offense and settle any claim or **suit**.

Our duty to defend any person or organization ends when we have used up the applicable Limit Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, we will pay, with respect to a claim we investigate or settle, or a **suit** against an **insured** we defend:

- A. the expenses we incur.
- B. the cost of:
 - 1. bail bonds; or
 - 2. bonds required to:
 - a. appeal judgments; or
 - b. release attachments;

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Liability Insurance For Energy Industries

**Supplementary
Payments**
(continued)

but only for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.

- C. reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of such claim or **suit**, including actual loss of earnings up to \$1000 a day because of time off from work.
- D. costs taxed against the **insured** in the **suit**, except any:
1. attorney fees or litigation expenses; or
 2. other loss, cost or expense;
- in connection with any injunction or other equitable relief.
- E. prejudgment interest awarded against the **insured** on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- F. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

Supplementary Payments does not include any fine or other penalty.

These payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

Coverage Territory

This insurance applies anywhere, provided the **insured's** responsibility to pay damages, to which this insurance applies, is determined in a **suit** on the merits brought in the United States of America (including its possessions and territories), Canada or Puerto Rico, or in a settlement to which we agree.

Who Is An Insured

Sole Proprietorships

If you are an individual, you and your spouse are **insureds**, but you and your spouse are **insureds** only with respect to the conduct of a business of which you are the sole owner.

If you die:

- persons or organizations having proper temporary custody of your property are **insureds**; but they are **insureds** only with respect to the maintenance or use of such property and only for acts until your legal representative has been appointed; and
- your legal representatives are **insureds**; but they are **insureds** only with respect to their duties as your legal representatives. Such legal representatives will assume your rights and duties under this insurance.

**Partnerships Or Joint
Ventures**

If you are a partnership (including a limited liability partnership) or a joint venture, you are an **insured**. Your members, your partners and their spouses are **insureds**, but they are **insureds** only with respect to the conduct of your business.

Who Is An Insured
(continued)

Limited Liability Companies

If you are a limited liability company, you are an **insured**. Your members and their spouses are **insureds**, but they are **insureds** only with respect to the conduct of your business. Your managers are **insureds**, but they are **insureds** only with respect to their duties as your managers.

Other Organizations

If you are an organization (including a professional corporation) other than a partnership, joint venture or limited liability company, you are an **insured**. Your directors and **officers** are **insureds**, but they are **insureds** only with respect to their duties as your directors or **officers**. Your stockholders and their spouses are **insureds**, but they are **insureds** only with respect to their liability as your stockholders.

Employees

Your **employees** are **insureds**, but they are **insureds** only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, no **employee** is an **insured** for:

A. bodily injury, advertising injury or personal injury:

1. to you, to any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or to any co-**employee** while such injured person is either in the course of his or her employment or while performing duties related to the conduct of your business.
2. to the brother, child, parent, sister or spouse of such injured person as a consequence of any injury described in subparagraph A.1. above; or
3. for which there is any obligation to share damages with or repay someone else who must pay damages because of any injury described in subparagraphs A.1. or A.2. above.

With respect to **bodily injury** only, this limitation does not apply to:

- you or to your directors, managers, members, **officers**, partners or supervisors as **insureds**; or
- your **employees**, as **insureds**, with respect to such damages caused by cardio-pulmonary resuscitation or first aid services administered by such an **employee**; or

B. property damage to any property owned, occupied or used by you or by any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or by any of your **employees**.

This limitation does not apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Volunteers

Persons who are volunteer workers for you are **insureds**; but they are **insureds** only for acts within the scope of their activities for you and at your direction.



Liability Insurance For Energy Industries

Who Is An Insured ***(continued)***

Real Estate Managers

Persons (other than your **employees**) or organizations while acting as your real estate managers are **insureds**; but they are **insureds** only with respect to their duties as your real estate manager.

Permissive Users Of Mobile Equipment

With respect to **mobile equipment** registered in your name under a motor vehicle registration law:

- A. persons driving such equipment on a public road with your permission are **insureds**; and
- B. persons or organizations responsible for the conduct of such persons described in subparagraph A. above are **insureds**; but they are **insureds** only with respect to the operation of the equipment and only if no other insurance of any kind is available to them.

However, no person or organization is an **insured** with respect to:

- **bodily injury** to any co-**employee** of the person driving the equipment; or
- **property damage** to any property owned or occupied by or loaned or rented to you, or in your charge or the charge of the employer of any person who is an **insured** under this provision.

Lessors Of Premises

Persons or organizations from whom you lease premises are **insureds**; but they are **insureds** only with respect to the ownership, maintenance or use of that particular part of such premises leased to you and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

However, no such person or organization is an **insured** with respect to any:

- damages arising out of their sole negligence;
- **occurrence** that occurs, or offense that is committed, after you cease to be a tenant in the premises; or
- structural alteration, new construction or demolition operations performed by or on behalf of them.

Newly Acquired Or Formed Organizations

If there is no other insurance available, a subsidiary organization of the first named **insured** shown in the Declarations that such first named **insured** acquires or forms during the policy period, will qualify as a named **insured**, if at the time of loss such first named **insured** controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

However, coverage under this provision is afforded only for:

- **bodily injury** or **property damage** that occurs; or
- **advertising injury** or **personal injury** caused by an offense first committed;

within one-hundred-twenty (120) days after the first named **insured** acquires or forms the organization or before the end of the policy period, whichever is earlier.

Who Is An Insured
(continued)

Limitations On Who Is An Insured

- A. Except to the extent provided under the Newly Acquired Or Formed Organizations provision above, no person or organization is an **insured** with respect to the conduct of any person or organization that is not shown as a named **insured** in the Declarations.
- B. No person or organization is an **insured** with respect to the:
1. ownership, maintenance or use of any assets; or
 2. conduct of any person or organization whose assets, business or organization; you acquire, either directly or indirectly, for any:
 - **bodily injury or property damage** that occurred; or
 - **advertising injury or personal injury** arising out of an offense first committed; in whole or in part, before you, directly or indirectly, acquired such assets, business or organization.

Limits Of Insurance

The Limits Of Insurance shown in the Declarations and the rules below fix the most we will pay, regardless of the number of:

- **insureds;**
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The Limits Of Insurance apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

General Aggregate Limit

Subject to the Each Occurrence Limit, the General Aggregate Limit is the most we will pay for the sum of:

- damages for **bodily injury and property damage**, except damages included in the **products-completed operations hazard**; and
- **medical expenses**.

Products-Completed Operations Aggregate Limit

Subject to the Each Occurrence Limit, the Products-Completed Operations Aggregate Limit is the most we will pay for the sum of damages for **bodily injury and property damage** included in the **products-completed operations hazard**.

Advertising Injury And Personal Injury Aggregate Limit

The Advertising Injury And Personal Injury Aggregate Limit is the most we will pay for the sum of damages for **advertising injury and personal injury**.

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Liability Insurance For Energy Industries

Limits Of Insurance

(continued)

Each Occurrence Limit

The Each Occurrence Limit is the most we will pay for the sum of:

- damages for **bodily injury** and **property damage**; and
- **medical expenses**;

arising out of any one **occurrence**.

Any amount paid for damages or **medical expenses** will reduce the amount of the applicable aggregate limit available for any other payment.

If the applicable aggregate limit has been reduced to an amount that is less than the Each Occurrence Limit, the remaining amount of such aggregate limit is the most that will be available for any other payment.

Damage To Premises Rented To You Limit

Subject to the Each Occurrence Limit, the Damage To Premises Rented To You Limit is the most we will pay for the sum of damages for **property damage** to any one premises while rented to you or temporarily occupied by you with permission of the owner.

Medical Expenses Limit

Subject to the Each Occurrence Limit, the Medical Expenses Limit is the most we will pay for the sum of **medical expenses**, under Medical Expenses coverage, for **bodily injury** sustained by any one person.

Bodily Injury/Property Damage Exclusions

None of the following exclusions, except "Contracts", "Expected or Intended Injury" and "Loss In Progress", apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Aircraft Or Watercraft

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any:

- aircraft; or
- watercraft;

owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to:

- A. a watercraft while ashore on premises owned by or rented to you;
- B. a watercraft you do not own, provided that it:
 - 1. is less than forty (40) feet long; and
 - 2. does not transport persons or cargo for a charge; or
- C. the liability for damages assumed in an **insured contract** resulting from the ownership, maintenance or use, by others, of an aircraft or watercraft.

**Bodily Injury/Property
Damage Exclusions**

(continued)

Auto

This insurance does not apply to **bodily injury or property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any **auto** by any:

- **insured**; or
- other person or organization.

This exclusion does not apply to:

- the parking of an **auto** on premises owned by or rented to you, provided the **auto** is not owned by or loaned or rented to any **insured**; or
- the operation of the equipment described in subparagraphs F.2. or F.3. of the definition of **mobile equipment**.

**Alcoholic Beverage
Type Business**

This insurance does not apply to **bodily injury or property damage** for which any **insured** may be held liable by reason of:

- causing or contributing to the intoxication of any person;
- furnishing alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Contracts

This insurance does not apply to **bodily injury or property damage** for which the **insured** is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages:

- that such **insured** would have in the absence of such contract or agreement; or
- assumed in an oral or written contract or agreement that is an **insured contract**, provided the **bodily injury or property damage**, to which this insurance applies, occurs after the execution of such contract or agreement.

**Damage To Alienated
Premises**

This insurance does not apply to **property damage** to any premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises.

This exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

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Liability Insurance For Energy Industries

**Bodily Injury/Property
Damage Exclusions**
(continued)

**Damage To Impaired
Property Or Property Not
Physically Injured**

This insurance does not apply to **property damage** to:

- **impaired property**; or
- property that has not been physically injured;
arising out of any:
 - defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**; or
 - delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms and conditions.

This exclusion does not apply to the loss of use of other tangible property resulting from sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

**Damage To Owned
Property**

This insurance does not apply to **property damage** to any property owned by you.

**Damage To Various
Property Of Others
(Care, Control Or Custody)**

This insurance does not apply to **property damage** to any:

- personal property loaned or rented to you;
- property held by you or on your behalf for sale or entrusted to you for safekeeping or storage;
- property on your premises for purposes of performing operations on such property by you or on your behalf;
- tools or equipment used by you or on your behalf in performing operations; or
- property in your care, control or custody that will be erected, installed or used in construction operations by you or on your behalf.

This exclusion does not apply to liability for damages assumed in a sidetrack agreement.

Damage To Your Product

This insurance does not apply to **property damage** to **your product** arising out of it or any part of it.

Damage To Your Work

This insurance does not apply to **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work causing the damage was performed on your behalf by a subcontractor.

Bodily Injury/Property Damage Exclusions

(continued)

Employer's Liability

- A. This insurance does not apply to **bodily injury** to an **employee** of the **insured** arising out of and in the course of:
1. employment by the **insured**; or
 2. performing duties related to the conduct of the **insured's** business.
- B. This insurance does not apply to **bodily injury** to the brother, child, parent, sister or spouse of such **employee** as a consequence of any injury described in paragraph A. above.

This exclusion applies:

- whether the **insured** may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any injury described in paragraphs A. or B. above.

This exclusion does not apply to liability for damages assumed by the **insured** in an **insured contract**.

Expected Or Intended Injury

This insurance does not apply to **bodily injury** or **property damage** arising out of an act that:

- is intended by the **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of the **insured**;

to cause **bodily injury** or **property damage**, even if the actual **bodily injury** or **property damage** is of a different degree or type than intended or expected.

This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or tangible property.

Loss In Progress

This insurance does not apply to **bodily injury** or **property damage** that is a change, continuation or resumption of any **bodily injury** or **property damage** known by you, prior to the beginning of the policy period, to have occurred.

Bodily injury or **property damage** will be deemed to be known by you:

- A. if such injury or damage is known by, or should have been known from the standpoint of a reasonable person in the circumstances of:
1. you;
 2. any of your directors, managers, members, **officers** (or their designees) or partners (whether or not a **employee**); and
- B. when any person described in paragraph A. above;
1. reports all, or any part, of any such injury or damage to us or any other insurer;
 2. receives a claim or a demand for damages because of any such injury or damage; or
 3. becomes aware that any such injury or damage has occurred or has begun to occur.

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Liability Insurance For Energy Industries

**Bodily Injury/Property
Damage Exclusions**
(continued)

**Mobile Equipment
Transportation**

This insurance does not apply to **bodily injury** or **property damage** arising out of the transportation of **mobile equipment** by an **auto** owned or operated by or loaned or rented to any **insured**.

**Advertising Injury/
Personal Injury
Exclusions**

Breach Of Contract

This insurance does not apply to **advertising injury** or **personal injury** arising out of breach of contract.

Continuing Offenses

This insurance does not apply to **advertising injury** or **personal injury** that arises out of that part of an offense that continues or resumes after the later of the end of the policy period of:

- A. this insurance; or
- B. a subsequent, continuous renewal or replacement of this insurance, that:
 - 1. is issued to you by us or by an affiliate of ours;
 - 2. remains in force while the offense continues; and
 - 3. would otherwise apply to **advertising injury** and **personal injury**.

Contracts

This insurance does not apply to **advertising injury** or **personal injury** for which the **insured** is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages:

- that such **insured** would have in the absence of such contract or agreement; or
- assumed in a written contract or agreement that is an **insured contract**, provided the **advertising injury** or **personal injury**, to which this insurance applies, is caused by an offense first committed after the execution of such contract or agreement.

Crime Or Fraud

This insurance does not apply to **advertising injury** or **personal injury** arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the **insured**.

**Advertising Injury/
Personal Injury
Exclusions**
(continued)

**Expected Or
Intended Injury**

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense, committed by or on behalf of the **insured**, that:

- is intended by such **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of such **insured**;

to cause injury.

**Failure To Conform To
Representations Or
Warranties**

This insurance does not apply to **advertising injury** or **personal injury** arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.

Internet Activities

This insurance does not apply to **advertising injury** or **personal injury** arising out of:

- controlling, creating, designing or developing of another's Internet site;
- controlling, creating, designing, developing, determining or providing the content or material of another's Internet site;
- controlling, facilitating or providing, or failing to control, facilitate or provide, access to the Internet or another's Internet site; or
- publication of content or material on or from the Internet, other than material developed by you or at your direction.

Media Type Businesses

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense committed by or on behalf of an **insured** whose business is advertising, broadcasting, cablecasting, publishing, telecasting or telemarketing.

This exclusion does not apply to **personal injury** caused by an offense described in subparagraphs A., B. or C. of the definition of **personal injury**.

Prior Offenses

This insurance does not apply to **advertising injury** or **personal injury** arising out of any offense first committed before the beginning of the policy period.

**Publications With
Knowledge Of Falsity**

This insurance does not apply to **advertising injury** or **personal injury** arising out of any electronic, oral, written or other publication of content or material by or with the consent of the **insured**:

- with knowledge of its falsity; or
- if a reasonable person in the circumstances of such **insured** would have known such content or material to be false.

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Liability Insurance For Energy Industries

**Advertising Injury/
Personal Injury
Exclusions**
(continued)

**Wrong Description Of
Prices**

This insurance does not apply to **advertising injury** or **personal injury** arising out of the wrong description of the price of goods, products or services.

**Medical Expenses
Exclusions**

Athletic Activities

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any person injured while taking part in athletics.

Injury To Insureds

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any **insured**, except a volunteer worker.

Nuclear Energy

This insurance does not apply to **medical expenses** arising out of **bodily injury** in any way related to the:

- **nuclear hazardous properties** of **nuclear material**; and
- operation of a **nuclear facility** by any person or organization.

**Products-Completed
Operations Hazard**

This insurance does not apply to **medical expenses** arising out of **bodily injury** included in the **products-completed operations hazard**.

**Workers' Compensation Or
Similar Laws**

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any person, whether or not an **employee** of any **insured**, if benefits for such **bodily injury** are payable or must be provided under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Policy Exclusions

Asbestos

- A. This insurance does not apply to **bodily injury**, **property damage**, **advertising injury** or **personal injury** arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **asbestos**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
 - 1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **asbestos**; or

Policy Exclusions**Asbestos
(continued)**

2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of **asbestos**.

**Employment-Related
Practices**

- A. This insurance does not apply to any damages sustained at any time by any person, whether or not sustained in the course of employment by any **insured**, arising out of any employment-related act, omission, policy, practice or representation directed at such person, occurring in whole or in part at any time, including any:
 1. arrest, detention or imprisonment;
 2. breach of any express or implied covenant;
 3. coercion, criticism, humiliation, prosecution or retaliation;
 4. defamation or disparagement;
 5. demotion, discipline, evaluation or reassignment;
 6. discrimination, harassment or segregation;
 7.
 - a. eviction; or
 - b. invasion or other violation of any right of occupancy;
 8. failure or refusal to advance, compensate, employ or promote;
 9. invasion or other violation of any right of privacy or publicity;
 10. termination of employment; or
 11. other employment-related act, omission, policy, practice, representation or relationship in connection with any **insured** at any time.
- B. This insurance does not apply to any damages sustained at any time by the brother, child, parent, sister or spouse of such person at whom any employment-related act, omission, policy, practice or representation is directed, as described in paragraph A. above, as a consequence thereof.

This exclusion applies:

- whether the **insured** may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any of the foregoing.

**Enhancement,
Maintenance Or
Prevention Expenses**

This insurance does not apply to any loss, cost or expense incurred by you or others for any:

- A. enhancement or maintenance of any property; or
- B. prevention of any injury or damage to any:
 1. person or organization; or
 2. property you own, rent or occupy.



Liability Insurance For Energy Industries

Policy Exclusions (continued)

Intellectual Property Laws Or Rights

This insurance does not apply to any actual or alleged **bodily injury, property damage, advertising injury or personal injury** arising out of, giving rise to or in any way related to any actual or alleged:

- assertion; or
- infringement or violation;

by any person or organization (including any **insured**) of any **intellectual property law or right**, regardless of whether this insurance would otherwise apply to all or part of any such actual or alleged injury or damage in the absence of any such actual or alleged assertion, infringement or violation.

This exclusion applies, unless such injury:

- is caused by an offense described in the definition of **advertising injury**; and
- does not arise out of, give rise to or in any way relate to any actual or alleged assertion, infringement or violation of any **intellectual property law or right**, other than one described in the definition of **advertising injury**.

Nuclear Energy

- A. This insurance does not apply to **bodily injury, nuclear property damage, advertising injury or personal injury**:
 1. with respect to which any **insured** under this policy also has status as an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would have had status as an insured under any such policy but for its termination upon exhaustion of its limit of insurance; or
 2. arising out of the **nuclear hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. This insurance does not apply to **bodily injury, nuclear property damage, advertising injury or personal injury** arising out of the **nuclear hazardous properties of nuclear material**:
 1. if the nuclear material:
 - a. is at any **nuclear facility** owned by, or operated by or on behalf of, any **insured**;
 - b. has been discharged or dispersed therefrom; or

Policy Exclusions
Nuclear Energy
(continued)

- c. is contained in **nuclear spent fuel** or **nuclear waste** at any time transported, handled, stored, disposed of, processed, treated, possessed or used by or on behalf of any **insured**; or
- 2. in any way related to the furnishing by any **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. But if such facility is located within the United States of America (including its possessions or territories) or Canada, this subparagraph 2. applies only to **nuclear property damage** to such **nuclear facility** and any property thereat.

Pollution

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - 1. at or from any premises, site or location which is or was at any time owned or occupied by, or loaned or rented to, any **insured**;
 - 2. at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - 3. which are or were at any time transported, handled, stored, disposed of, processed or treated as waste by or for any:
 - a. **insured**; or
 - b. person or organization for whom any **insured** may be legally responsible; or
 - 4. at or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured's** behalf are performing operations.

Subparagraphs A.1. and A.4. above do not apply to **bodily injury or property damage** arising out of heat, smoke or fumes from a **hostile fire**.

- B. This insurance does not apply to any loss, cost or expense arising out of any:
 - 1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to, or assessing the effects of **pollutants**.

This exclusion applies regardless of whether or not the pollution was accidental, expected, gradual, intended, preventable or sudden.

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Liability Insurance For Energy Industries

Policy Exclusions

(continued)

***Recall Of Products, Work
Or Impaired Property***

This insurance does not apply to damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- **your product;**
- **your work; or**
- **impaired property;**

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

***Workers' Compensation
Or Similar Laws***

This insurance does not apply to any obligation of the **insured** under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Conditions

Arbitration

- We are entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Bankruptcy

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of our obligations under this insurance.

***Disclosures And
Representations***

We have issued this insurance:

- based upon representations you made to us; and
- in reliance upon your representation.

Unintentional failure of an **employee** of the **insured** to disclose a hazard or other material information will not violate this condition, unless an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee knows about such hazard or other material information.

***Duties In The Event Of
Occurrence, Offense,
Claim Or Suit***

- A. You must see to it that we and any other insurers are notified as soon as practicable of any **occurrence** or offense that may result in a claim, if the claim may involve us or such other insurers. To the extent possible, notice should include:

1. how, when and where the **occurrence** or offense happened;
2. the names and addresses of any injured persons and witnesses; and
3. the nature and location of any injury or damage arising out of the **occurrence** or offense.

Conditions

Duties In The Event Of Occurrence, Offense, Claim Or Suit (continued)

- B. If a claim is made or **suit** is brought against any **insured**, you must:
 - 1. immediately record the specifics of the claim or **suit** and the date received;
 - 2. notify us and other insurers as soon as practicable; and
 - 3. see to it that we receive written notice of the claim or **suit** as soon as practicable.
- C. You and any other involved **insured** must:
 - 1. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or **suit**;
 - 2. authorize us to obtain records and other information;
 - 3. cooperate with us and other insurers in the:
 - a. investigation or settlement of the claim; or
 - b. defense against the **suit**; and
 - 4. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of loss to which this insurance may also apply.
- D. No **insureds** will, except at that **insured's** own cost, make any payment, assume any obligation or incur any expense, other than for first aid, without our consent.
- E. Notice given by or on behalf of:
 - 1. the **insured**;
 - 2. the injured person; or
 - 3. any other claimant;

to a licensed agent of ours with particulars sufficient to identify the **insured** shall be deemed notice to us.
- F. Knowledge of an **occurrence** or offense by an agent or **employee** of the **insured** will not constitute knowledge by the **insured**, unless an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee knows about such **occurrence** or offense.
- G. Failure of an agent or **employee** of the **insured**, other than an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee, to notify us of an **occurrence** or offense that such person knows about will not affect the insurance afforded to you.
- H. If a claim or loss does not reasonably involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the **insured** gives us immediate notice as soon as the **insured** is aware that this insurance may apply to such claim or loss.

Legal Action Against Us

- No person or organization has a right under this insurance to:
- join us as a party or otherwise bring us into a **suit** seeking damages from an **insured**; or
 - sue us on this insurance unless all of the terms and conditions of this insurance have been fully complied with.



Liability Insurance For Energy Industries

Conditions

Legal Action Against Us (continued)

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Other Insurance

If other valid and collectible insurance is available to the **insured** for loss we would otherwise cover under this insurance, our obligations are limited as follows.

Primary Insurance

This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision described below.

Excess Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- A. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for **your work**;
- B. that is insurance that applies to **property damage** to premises rented to you or temporarily occupied by you with permission of the owner;
- C. if the loss arises out of aircraft, **autos** or watercraft (to the extent not subject to the Aircraft Or Watercraft or Auto exclusions);
- D. that is insurance:
 - 1. provided to you by any person or organization working under contract or agreement for you; or
 - 2. under which you are included as an insured; or
- E. that is insurance under any Property section of this policy.

When this insurance is excess, we will have no duty to defend the **insured** against any **suit** if any other insurer has a duty to defend such **insured** against such **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured's** rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of the total:

- amount that all other insurance would pay for loss in the absence of this insurance; and
- of all deductible and self-insured amounts under all other insurance.

Conditions

Other Insurance (continued)

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limits of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates.

In accordance with the Estimated Premiums section of the Premium Summary, premiums shown with an asterisk (*) are estimated premiums and are subject to audit.

In addition to or in lieu of such designation in the Premium Summary, premiums may be designated as estimated premiums elsewhere in this policy. In that case, these premiums will also be subject to audit, and the second paragraph of the Estimated Premiums section of the Premium Summary will apply.

Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this insurance to the first named **insured**, this insurance applies:

- as if each named **insured** were the only named **insured**; and
- separately to each **insured** against whom claim is made or **suit** is brought.

Transfer Or Waiver Of Rights Of Recovery Against Others

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

CHUBB®

Liability Insurance For Energy Industries

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Advertisement

Advertisement means an electronic, oral, written or other notice, about goods, products or services, designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products or services.

Advertisement does not include any e-mail address, Internet domain name or other electronic address or metalanguage.

Advertising Injury

Advertising injury means injury, other than **bodily injury**, **property damage** or **personal injury**, sustained by a person or organization and caused by an offense of infringing, in that particular part of your **advertisement** about your goods, products or services, upon their:

- copyrighted **advertisement**; or
- registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative.

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product or other material or waste. Waste includes material to be recycled, reconditioned or reclaimed.

Auto

Auto means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.

Bodily Injury

Bodily injury means physical:

- injury;
- sickness; or
- disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.

Employee

Employee includes a **leased worker**. **Employee** does not include a **temporary worker**.

Hostile Fire

Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Definitions*(continued)*

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Impaired Property

Impaired property means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

- it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- you have failed to fulfill the terms and conditions of a contract or agreement;

if such property can be restored to use by:

- the repair, replacement, adjustment or removal of **your product** or **your work**; or
- your fulfilling the terms and conditions of the contract or agreement.

Insured

Insured means a person or an organization qualifying as an **insured** in the Who Is An Insured section of this contract.

Insured Contract

Insured contract:

A. means:

1. a lease of premises;
2. a sidetrack agreement;
3. an easement or license agreement;
4. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. an elevator maintenance agreement; or
6. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay damages, to which this insurance applies, sustained by a third person or organization.

B. does not include:

1. that part of any contract or agreement that indemnifies an architect, engineer or surveyor for damages arising out of:
 - a. preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, designs or specifications; or
 - b. giving directions or instructions, or failing to give them.
2. any contract or agreement pertaining to the lease, rental or purchase of any **mobile equipment**.

CHUBB®**Liability Insurance For Energy Industries****Definitions***(continued)*

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Intellectual Property Law Or Right

Intellectual property law or right means any:

- certification mark, copyright, patent or trademark (including collective or service marks);
- right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- other judicial or statutory law concerning piracy, unfair competition or other similar practices.

Leased Worker

Leased worker means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party's business. **Leased worker** does not include a **temporary worker**.

Loading Or Unloading

Loading or unloading:

- A. means the handling of property:
 1. after it is moved from the place where it is accepted for movement into or onto an aircraft, **auto** or watercraft;
 2. while it is in or on an aircraft, **auto** or watercraft; or
 3. while it is being moved from an aircraft, **auto** or watercraft to the place where it is finally delivered.
- B. does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **auto** or watercraft.

Medical Expenses

Medical expenses means reasonable expenses for necessary:

- first aid administered at the time of an accident;
- medical, surgical, x-ray and dental services, including prosthetic devices; and
- ambulance, hospital, professional nursing and funeral services.

Mobile Equipment

Mobile equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- A. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- B. vehicles maintained for use solely on premises owned by or rented to you;
- C. vehicles that travel on crawler treads;

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

**Mobile Equipment
(continued)**

- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1. power cranes, shovels, loaders, diggers or drills; or
 - 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in subparagraphs A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in subparagraphs A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo.

Mobile equipment does not include self-propelled vehicles with the following types of permanently attached equipment, and such vehicles will be considered **autos**:

- 1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
- 2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- 3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Nuclear Facility

Nuclear facility means any:

- A. **nuclear reactor**;
- B. equipment or device designed or used for:
 - 1. separating the isotopes of plutonium or uranium;
 - 2. processing or utilizing **nuclear spent fuel**; or
 - 3. handling, processing or packaging **nuclear waste**;
- C. equipment or device used for the processing, fabricating or alloying of **nuclear material**, if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than:
 - 1. twenty-five (25) grams of plutonium or uranium 233, or any combination thereof; or
 - 2. two-hundred-fifty (250) grams of uranium 235; or



Liability Insurance For Energy Industries

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Nuclear Facility (continued)

D. structure, basin, excavation, premises or place prepared or used for the storage or disposal of **nuclear waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear Hazardous Properties

Nuclear hazardous properties includes radioactive, toxic or explosive properties.

Nuclear Material

Nuclear material means **by-product material**, **source material** or **special nuclear material**.

By-product material, **source material** and **special nuclear material** have the meanings given them in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof.

Nuclear Property Damage

Nuclear property damage includes all forms of radioactive contamination of property.

Nuclear Reactor

Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Nuclear Spent Fuel

Nuclear spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

Nuclear Waste

Nuclear waste means any waste material:

- containing **nuclear material**, other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content; and
- resulting from the operation by any person or organization of any **nuclear facility** described in subparagraphs A. or B. of the definition of **nuclear facility**.

Occurrence

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Officer

Officer means a person holding any of the officer positions created by an organization's charter, constitution, by-laws or any other similar governing document.

Definitions*(continued)*

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Personal Injury

Personal injury means injury, other than **bodily injury**, **property damage** or **advertising injury**, caused by an offense of:

- A. false arrest, false detention or other false imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner;
- D. electronic, oral, written or other publication of material that:
 - 1. libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
 - 2. violates a person's right of privacy; or
- E. discrimination, harassment or segregation based on a person's age, color, national origin, race, religion or sex.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Products-Completed Operations Hazard

Products-completed operations hazard:

- A. includes all **bodily injury** and **property damage** taking place away from premises owned or occupied by or loaned or rented to you and arising out of **your product or your work**, except:

- 1. products that are still in your physical possession; or
- 2. work that has not yet been completed or abandoned.

Your work will be deemed completed when:

- all of the work called for in your contract or agreement has been completed.
- all of the work to be performed at the site has been completed, if your contract or agreement calls for work at more than one site.
- that part of the work completed at a site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- B. does not include **bodily injury** or **property damage** arising out of:
 - 1. the transportation of property;



Liability Insurance For Energy Industries

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Products-Completed Operations Hazard (continued)

2. the existence of tools, uninstalled equipment or abandoned or unused materials; or
3. products or operations for which the classification in our rules indicates that such products or operations are not subject to the Products-Completed Operations Aggregate Limit Of Insurance.

Property Damage

Property damage means:

- physical injury to tangible property, including resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

Tangible property does not include any software, data or other information that is in electronic form.

Suit

Suit means a civil proceeding in which damages, to which this insurance applies, are sought. **Suit** includes arbitration or other dispute resolution proceeding in which such damages are sought and to which the **insured** must submit or does submit with our consent.

Temporary Worker

Temporary worker means a person who is furnished to a party to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

Your Product

Your product:

A. means any:

1. goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. you;
 - b. others trading under your name; or
 - c. a person or organization whose assets or business you have acquired; and
2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your product**; and
2. the providing of or failure to provide instructions or warnings.

C. does not include vending machines or other property loaned or rented to or located for the use of others but not sold.

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Your Work

Your work:

A. means any:

1. work or operations performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your work**; and
2. the providing of or failure to provide instructions or warnings.

CHUBB®**Energy Industries
General Liability Insurance****Schedule of Exposure**

Insured's Name: RAMACO RESOURCES, INC.
PO BOX 8006
SOUTH CHARLESTON, WV 25303

Policy Number: 3711-55-64 PIT**Effective Date:** JULY 1, 2018**Name of Company:** FEDERAL INSURANCE COMPANY

This Schedule of Exposure supersedes any Schedule(s) of Exposure with a prior effective date. All other terms and conditions remain unchanged.

Classification Code Description	Exposure	Rate
VIRGINIA		
US RT 460 & FORK RIDGE RD RAVEN, VIRGINIA 24639		
PREMISES/OPERATIONS		
00160-04 COAL PROCESSING - FOR OTHERS (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS) PREMIUM BASIS: CLEAN TONS: *	700,000	6.861
WEST VIRGINIA		
WV RT 80 VERNER, WEST VIRGINIA 25650		
PREMISES/OPERATIONS		
00160-01 COAL MINING - SURFACE (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS) PREMIUM BASIS: RAW TONS: *	700,000	37.650
00160-02 COAL MINING - UNDERGROUND (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS) PREMIUM BASIS: RAW TONS: *	3,740,000	28.512
00160-03 COAL PROCESSING - FOR INSURED (THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS) PREMIUM BASIS: CLEAN TONS: *	1,500,000	0.997
PRODUCTS/COMPLETED OPERATIONS		
97223-00 MACHINERY OR EQUIPMENT - NOC - INSTALL, SVC, REPAIR PREMIUM BASIS: PAYROLL: *	IF ANY	18.175
301 R H L BLVD SUITE 12 - 2ND FLOOR		

continued

**Energy Industries
General Liability Insurance**

Schedule of Exposure

Effective Date: JULY 1, 2018

Insured's Name: RAMACO RESOURCES, INC.

Classification Code Description	Exposure	Rate
CHARLESTON, WEST VIRGINIA 25309		
PREMISES/OPERATIONS		
61226-00	500	190.000
BUILDINGS OR PREMISES - OFFICES - NOC - (FOR PROFIT)		
(THIS CLASSIFICATION INCLUDES PRODUCTS/COMPLETED OPERATIONS)		
PREMIUM BASIS: AREA:		
WEST VIRGINIA		
WV RT 80		
VERNER, WEST VIRGINIA 25650		
EMPLOYEE BENEFITS		
00176-01	100	3.000
EMPLOYEE BENEFITS E&O		
PREMIUM BASIS: NUMBER OF EMPLOYEES:		

last page

Liability Insurance**Employee Benefits Errors Or Omissions****Table Of Contents**

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Employee Benefits Errors Or Omissions

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

Throughout this policy the words "you" and "your" refer to the Named **Insured** shown in the Declarations of this policy, and any other person or organization qualifying as a Named **Insured** under this contract. The words "we," "us" and "our" refer to the company providing this insurance.

In addition to the Named **Insured**, other persons or organizations qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is Insured section of this contract.

THIS INSURANCE PROVIDES CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE PROVIDED, SUCH COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ THIS INSURANCE CAREFULLY.

Who Is Insured

Sole Proprietorship

If you are an individual, you and your spouse are **insureds**, but only with respect to the conduct of a business of which you are the sole owner.

Partnership Or Joint Venture

If you are a partnership or joint venture, you are an **insured**. Your members, your partners, and their spouses are also **insureds**, but only with respect to the conduct of your business.

Other Organizations

If you are an organization other than a partnership, joint venture or limited liability company, you are an **insured**. Your executive officers and directors are **insureds**, but only with respect to their duties as your officers or directors. Your stockholders are also **insureds** but only with respect to their liability as stockholders.

Any Other Authorized Person

Any other natural person for whose acts you are legally liable is an **insured**, provided such natural person is authorized to act in the **administration** of your **employee benefit programs**.

Subsidiaries Or Newly Acquired Or Formed Organizations

If there is no other similar insurance available, the following will qualify to be a named **insured**:

- Any financially controlled subsidiary of yours; or
- any organization you newly acquired or formed during the policy period, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest. This coverage is effective on the acquisition or formation date and is afforded only until the end of the policy period during which the acquisition or formation took place.

No subsidiary or newly acquired or formed organization is an **insured** with respect to any **claim** arising from the **administration** of **employee benefit programs** that occurred before you acquired or formed the organization.

Who Is Insured
(continued)

Limitation On Who Is Insured

No one is an **insured** for the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a named **insured** in the Declarations.

Coverage

Subject to the applicable Limits Of Insurance, we will pay damages the **insured** becomes legally obligated to pay for any **claim** arising out of a negligent act, error or omission to which this insurance applies, by or on behalf of the **insured** in the **administration of employee benefit programs**.

The **claim** must be made by:

- your employee;
- your former employee;
- the beneficiaries or legal representatives of your employee or former employee; or
- your prospective employee.

This insurance applies to a negligent act, error or omission only if a **claim** is first made against any **insured** during the policy period.

This insurance does not apply to any negligent act, error or omission which:

- occurred prior to the Retroactive Date stated in the Declarations of this insurance;
- occurred on or between the Retroactive Date stated in the Declarations of this insurance and the last day of the policy period stated in the Declarations of this insurance if, on the effective date of this insurance, the **insured** had knowledge of or should have known of any circumstances which might have resulted in a **claim**; or
- occurs after the policy period stated in the Declarations of this insurance.

For purposes of this insurance:

- a **claim** by a person or organization will be deemed to have been made when notice of such **claim** is received and recorded by any **insured**, our licensed agent, or by us, whichever comes first; and
- all **claims** by the same person or organization as a result of a negligent act, error or omission will be deemed to have been made at the time the first of those **claims** is made against any **insured**.

Limits Of Insurance

The Limits Of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- **insureds**;
- **claims made or suits brought**; or
- persons or organizations making **claims** or bringing **suits**.

The Limits Of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

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Employee Benefits Errors Or Omissions

Limits Of Insurance (continued)

We may pay part or all of the deductible to settle any **claim** or **suit**; and when notified, the **insured** agrees to promptly reimburse us for the deductible paid.

All **claims** arising from a single negligent act, error or omission or a series of related negligent acts, errors or omissions shall be deemed to be a single **claim**.

Aggregate Limit

Subject to the Each Claim Limit, the Aggregate Limit is the most we will pay for the sum of:

- damages for all **claims**; and
- payments made for defense and Supplementary Payments.

Each Claim Limit

The Each Claim Limit is the most we will pay for all damages for each **claim**, including payments made for defense and Supplementary Payments, in excess of the deductible stated in the Declarations.

Any amount paid for damages, defense and Supplementary Payments for each **claim** will reduce the amount of the Aggregate Limit available for payment of damages, defense and Supplementary Payments for any other **claim**.

If the Aggregate Limit has been reduced by payment of damages, defense and Supplementary Payments for **claims** to an amount that is less than the Each Claim Limit, the remaining Aggregate Limit is the most that will be available for payment of damages, defense and Supplementary Payments for any other **claim**.

Investigation, Defense And Payment Of Damages

We will have the right and duty to defend any **insured** against a **suit** seeking damages for any **claim** arising out of a negligent act, error, or omission. However, we will have no duty to defend any **insured** against a **suit** seeking damages to which this insurance does not apply. We may at our discretion investigate any negligent act, error, or omission and settle any **claim** or **suit** that may result.

The amount we will pay for damages is limited as described in Limits Of Insurance. Our right and duty to defend end when we have used up the applicable Limit Of Insurance in the payment of defense, judgments or settlements and payments under Supplementary Payments.

The amount we pay to defend any **suit** is part of and will reduce the Each Claim Limit under Limits Of Insurance.

We have no further obligation or liability to pay sums or perform acts or services unless explicitly provided for under Supplementary Payments shown below.

Supplementary Payments

Subject to the Limits Of Insurance, we will pay with respect to any **claim** we investigate or settle, or any **suit** against an **insured** we defend:

- A. all expenses we incur;
- B. the premium amount of bonds to release attachments, but only for premium amounts within the amount of insurance available. We do not have to furnish these bonds;
- C. reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$300 a day because of time off from work;
- D. costs taxed against the **insured** in the **suit**;

Supplementary Payments
(continued)

- E. prejudgment interest awarded against the **insured** on that part of the judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
- F. all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

Each payment we make under Supplementary Payments will reduce the Each Claim Limit under Limits Of Insurance with the following exceptions:

- A. salaries and expenses of our employees or the **insured's** employees, other than:
1. that portion of our employed attorneys' fees, salaries and expenses allocated to a specific **claim** or **suit**;
 2. the expenses described in C. above; and
- B. fees and expenses of independent adjusters we hire.

Coverage Territory

This insurance applies anywhere. However, the **insured's** responsibility to pay damages must be determined in a **suit** on the merits, in the United States of America, its territories or possessions, Canada or Puerto Rico, or in a settlement we agree to.

Exclusions**Bodily Injury, Property Damage, Advertising Injury Or Personal Injury**

This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury**.

Benefits Due

This insurance does not apply to payments which are required pursuant to any **employee benefits program**.

Contractual Liability

This insurance does not apply to liability of others for which the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages that the **insured** would have in the absence of such contract or agreement.

Discrimination Or Humiliation

This insurance does not apply to actual or alleged humiliation or unlawful discrimination.

Dishonest Acts

This insurance does not apply to any dishonest, fraudulent, criminal or malicious act, error or omission by or on behalf of any **insured**, whether acting alone or in collusion with others.

Expected Or Intended Damage

This insurance does not apply to any **claim** which results from an act that:

- is intended by the **insured**; or

CHUBB®

Employee Benefits Errors Or Omissions

Exclusions

Expected Or Intended Damage (continued)

- can be expected from the standpoint of a reasonable person to cause damage, even if the damage is of a different degree or type than actually intended or expected.

Fines, Penalties, Punitive Or Exemplary Damages

This insurance does not apply to any assessment, penalty, fine, or punitive or exemplary damages.

Millennium Date Change

This insurance does not apply to any **claim** arising out of:

1. the actual or potential inability of any:
 - hardware, software, operating system, network, microprocessor;
 - other computer, data processing or communications system equipment or component; or
 - other system, equipment or component that communicates with any of the foregoing, to accept, retrieve, recognize, understand, interpret, identify, distinguish, process, communicate or otherwise use:
 - any date subsequent to December 31, 1999; or
 - information or code which contains dates subsequent to December 31, 1999; or
2. the rendering of, or failure to render, any service or advice in connection with paragraph 1. above.

Performance Failure

This insurance does not apply to:

- the failure of performance of any contract by an insurer;
- the failure of any investment plan to perform as represented by an **insured**;
- the inability of **employee benefit programs** to meet their obligation due to insolvency or inadequate funds; or
- the investment, divestment or non-investment of funds.

Statutory Obligation To Employees Or Plans

This insurance does not apply to the **insured's** failure to comply with the provisions of the Internal Revenue Code, any law concerning workers compensation, unemployment compensation, social security or disability benefits, any employment severance law, or the Employee Retirement Income Security Act of 1974 or any similar State or Federal legislation that has been or may be enacted.

This exclusion does not apply to the **administration of employee benefit programs**.

Termination Of Any Employee Benefit Programs

This insurance does not apply to the termination of any **employee benefit programs**.

Exclusions*(continued)***Wrong Advice**

This insurance does not apply to advice given by an **insured** to an employee to participate or not to participate in any investment subscription plan.

Extended Reporting Periods**Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided. Under this provision:

- **claims** first made within 60 days after the end of the policy period; or
- **claims** first made within five years after the end of the policy period for negligent acts, errors or omissions reported to us within 60 days after the end of the policy period

will be deemed to have been made during the policy period of this policy.

The Basic Extended Reporting Period does not apply to **claims** that are covered under any subsequent insurance you purchase, or that would be covered, but for exhaustion of the amount of insurance applicable to such **claims**.

Notification of **claims** must be in accordance with paragraphs A. and B. of the Duties In The Event Of Negligent Act, Error, Or Omission, Claim Or Suit provision of the Conditions.

Supplemental Extended Reporting Period

A Supplemental Extended Reporting Period is available only by an endorsement and for an additional premium:

- A. If purchased, this period starts at the end of the Basic Extended Reporting Period and will be for 10 years. **Claims** first made during this Supplemental Extended Reporting Period will be deemed to have been made during the policy period of this policy, but will be subject to the separate aggregate limit of insurance set forth in paragraph C., below.
- B. You must give us a written request to purchase a Supplemental Extended Reporting Period within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.
- C. If you comply with paragraph B., above, we will issue the Supplemental Extended Reporting Period Endorsement, and will provide the separate aggregate limit of insurance described below, but only for **claims** to which the Supplemental Extended Reporting Period applies. The separate aggregate Limit Of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit.

The Aggregate Limit as shown in the Limits Of Insurance section will be amended accordingly. The Each Claim Limit shown in the Declarations will continue to apply, as set forth in the Limits of Insurance section.
- D. We will determine the additional premium for the Supplemental Extended Reporting Period Endorsement in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for this insurance.
- E. The Supplemental Extended Reporting Period Endorsement will set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.



Employee Benefits Errors Or Omissions

Extended Reporting Periods (continued)

When Extended Reporting Periods Apply

We will automatically provide a Basic Extended Reporting Period and, if you purchase it, a Supplemental Extended Reporting Period if:

- A. this insurance is canceled or not renewed; or
- B. we renew or replace this insurance with other insurance that:
 - 1. has a Retroactive Date later than the Retroactive Date shown in the Declarations for this insurance; or
 - 2. does not apply on a **claims-made** basis.

How Extended Reporting Periods Apply

Extended Reporting Periods:

- A. apply only to **claims** for:
 - 1. negligent acts, errors or omissions that occur before the end of the policy period and not before the Retroactive Date, if any, shown in the Declarations.
- B. do not:
 - 1. extend the policy period or change the scope of coverage provided; or
 - 2. reinstate or increase the Limits Of Insurance applicable to any **claim** to which this insurance applies, except as described in the Supplemental Extended Reporting Period section above.
- C. may not be canceled once in effect.

Conditions

Arbitration

We are entitled to exercise all of the **insured's** rights in the choice of arbitrators and the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Bankruptcy

Bankruptcy or insolvency of the **insured** or the **insured's** estate will not relieve us of any obligation to which this insurance applies.

Duties In The Event Of Negligent Act, Error, Or Omission, Claim Or Suit

- A. You must see to it that we are notified as soon as practicable of any negligent act, error, or omission which may result in a **claim**. To the extent possible, notice should include:
 - 1. how, when and where the negligent act, error, or omission took place; and
 - 2. the names and addresses of any involved persons and witnesses.Notice of any negligent act, error, or omission is not notice of a **claim**.
- B. If a **claim** is made or **suit** is brought against any **insured**, you must:
 - 1. immediately record the specifics of the **claim** or **suit** and the date received; and
 - 2. notify us in writing as soon as practicable.
- C. You and any other involved **insured** must:

Conditions**Duties In The Event Of
Negligent Act, Error, Or
Omission, Claim Or Suit
(continued)**

1. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;
 2. authorize us to obtain records and other information;
 3. cooperate with us in the:
 - a. investigation or settlement of the **claim** or
 - b. defense of the **suit**; and
 4. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **insured** because of a negligent act, error, or omission to which this insurance may also apply.
- D. No **insureds** will, except at that **insured's** own cost, make a payment, assume any obligation, or incur any expense, without our consent.
- E. Notice given by or on behalf of:
1. the **insured**; or
 2. any other claimant;
- to any licensed agent of ours with particulars sufficient to identify the **insured** shall be deemed notice to us.
- F. Knowledge of any negligent act, error, or omission by any agent or employee of the **insured** will not constitute knowledge by the **insured**, unless an officer or his designee receives such notice from its agent or employee.
- G. Failure of an agent or employee of the **insured**, other than an officer, or his designee, to notify us of any negligent act, error, or omission which he knows about will not affect the insurance afforded you by this contract.

Legal Action Against Us

No person or organization has a right under this insurance:

- to join us as a party or otherwise bring us into a **suit** asking for damages from an **insured**; or
- to sue us on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after:

- an actual trial in a civil proceeding;
- an arbitration proceeding; or
- an alternative resolution proceeding.

but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable Limits of Insurance.

Other Insurance

If other valid and collectible insurance is available to the **insured** for a loss we cover under this insurance, our obligations are limited as follows:

Excess Insurance

This insurance is excess over and above any other valid and collectible insurance (including any deductible or self-insured portion) or agreement of indemnity, available to you.



Employee Benefits Errors Or Omissions

Conditions

Other Insurance (continued)

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to the **administration of employee benefits programs** on other than a claims made basis, if:

- no Retroactive Date is shown in the Declarations of this insurance; or
- the other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.

We will have no duty under this insurance to defend any **insured** against a **suit** that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured's** rights against all those other insurers.

We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- the total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not purchased specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates.

In accordance with the Estimated Premiums section of the Premium Summary, premiums identified by an asterisk are estimated premiums and are subject to audit. In addition to or in lieu of such designation in the Premium Summary, premiums may be designated as estimated premiums in the Liability Insurance section of this policy. In that event, these premiums will also be subject to audit and the second paragraph of the Estimated Premiums section of the Premium Summary will apply.

Separation Of Insureds

Except with respect to the Limits Of Insurance and any rights or duties specifically assigned in this insurance to the first named **insured**, this insurance applies:

- as if each named **insured** were the only named **insured**; and
- separately to each **insured** against whom **claim** is made or **suit** is brought.

Transfer Of Rights Of Recovery

If the **insured** has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

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Employee Benefits Errors Or Omissions

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Administration

Administration means:

- informing employees of the content of;
- giving advice, other than legal advice, about;
- handling of records in connection with; or
- effecting enrollment, termination or cancellation of employees under, **employee benefit programs**, provided such acts are authorized by you.

Advertising

Advertising means any advertisement, publicity article, broadcast or telecast.

Advertising Injury

Advertising injury means injury, other than **bodily injury** or **personal injury**, arising solely out of one or more of the following offenses committed in the course of **advertising** of your goods, products or services:

- oral or written publication of advertising material that slanders or libels a person or organization;
- oral or written publication of advertising material that violates a person's right of privacy; or
- infringement of copyrighted advertising materials or infringement of trademarked or service marked titles or slogans.

Agreed Settlement

Agreed settlement means a settlement and release of liability signed by us, the **insured** and the claimant or the claimant's legal representative.

Bodily Injury

Bodily injury means physical injury, sickness, disease, mental anguish, mental injury, shock, or humiliation sustained by a person; it also includes death at any time resulting therefrom.

Claim

Claim means a demand for damages.

Employee Benefit Programs

Employee benefit programs means group life insurance, group health insurance, group dental insurance, group automobile insurance, group homeowners insurance, educational tuition reimbursement plans, individual retirement account (IRA) plans, Internal Revenue Code Section 401(K) plans and amendments thereto, profit sharing plans, pension plans, employee investment subscription plans, workers compensation, unemployment insurance, social security, disability benefits insurance or travel, savings or vacation plans.

Insured

Insured means any person or organization qualifying as an insured under the Who Is Insured provision and against whom **claim** is made or **suit** is brought.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Personal Injury

Personal injury means injury, other than **bodily injury**, arising out of one or more of the following offenses committed in the course of your business, other than your **advertising**:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution;
- C. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or persons occupy, by or on behalf of its owner, landlord or lessor;
- D. oral or written publication of material that slanders or libels a person or organization; or
- E. oral or written publication of material that violates a person's right of privacy.

Property Damage

Property damage means:

- physical injury to or destruction of tangible property including the resulting loss of use of that property; or
- loss of use of tangible property that is not physically injured.

Suit

Suit means a civil proceeding in which damages to which this insurance applies are alleged. **Suit** also includes:

- an arbitration proceeding in which such damages are **claimed** and to which the **insured** must submit or does submit with our consent; or
- any other alternative dispute resolution proceeding in which such damages are **claimed** and to which the **insured** submits with our consent.

CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY
EMPLOYEE BENEFITS ERRORS OR OMISSIONS

Conditions

Under Conditions, the provision titled Premium Audit is deleted and replaced by the following.

Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates. We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverage(s) under this contract.

**Exclusion
Endorsement**

Flood Damage Hazard

With respect to all coverage(s) under this contract, this insurance does not apply to any damages, loss, cost or expense included in the **flood damage hazard**.

This exclusion applies regardless of whether this insurance would otherwise apply to all or part of any such damages, loss, cost or expense in the absence of the **flood damage hazard**.

The following definition is added to this policy and replaces any similar definition contained therein:

Definitions

Flood Damage Hazard

Flood damage hazard includes all **bodily injury, property damage, advertising injury and personal injury** caused by:

- A. 1. waves, tidal water or tidal waves; or

Definitions

Flood Damage Hazard (continued)

2. rising, overflowing, or breaking of any boundary;
of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse, whether driven by wind or not;
- B. any general and temporary condition of partial or complete inundation of land areas from:
 1. the unusual and rapid accumulation or runoff (including the seepage, leakage or influx) of surface waters from any source; or
 2. mudslides or mudflows which are caused by the unusual and rapid accumulation or runoff of surface waters from any source and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current;
- C. any collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in the rising or overflowing or breaking of any boundary of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water or watercourse, whether driven by wind or not;
- D. water that backs up or overflows from a sewer, drain or sump; or
- E. water under the ground surface pressing on, or flowing or seeping through:
 1. foundations, walls, floors or paved surfaces;
 2. basements, whether paved or not; or
 3. doors, windows or other openings.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverages under this contract.

**Exclusion
Endorsement**

**Intellectual Property
Laws Or Rights**

With respect to all coverages under this contract:

- A. this insurance does not apply to any damages, loss, cost or expense arising out of, giving rise to or in any way related to any actual, alleged or threatened:
1. assertion; or
 2. infringement or violation;
- by any person or organization (including any **insured**) of any **intellectual property law or right**.
- B. further, this insurance does not apply to the entirety of all allegations in any claim or **suit**, if such claim or **suit** includes an allegation of or a reference to an infringement or violation of any **intellectual property law or right**, even if this insurance would otherwise apply to any part of the allegations in the claim or **suit**.
- C. this exclusion applies unless the only infringement or violation of an **intellectual property law or right** is an offense described in the definition of **advertising injury** to which this insurance applies.

Liability Endorsement
(continued)

The following definition is added to this policy and replaces any similar definition contained therein.

Definitions

**Intellectual Property Law
Or Right**

Intellectual property law or right means any:

- certification mark, copyright, patent or trademark (including collective or service marks);
- right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- other judicial or statutory law concerning piracy, passing off or similar practices.

All other terms and conditions remain unchanged.

Authorized Representative



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Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Coverages, the following coverages are added.

Coverages

Product Withdrawal Expenses

Subject to all the terms and conditions of this insurance, we will reimburse the **insured** for reasonable and necessary **product withdrawal expenses** paid or incurred by such **insured** solely because an **insured product** has a **defect**.

This insurance applies only if:

- such **defect** is first reported to us by an **insured** in writing during the policy period;
- such expenses are directly related to such **defect**; and
- coverage for the **insured product** is included in the **products-completed operations hazard**.

All reports in connection with the same **defect** will be deemed to have been made at the time the first of those reports is made to us by any **insured** in writing.

We have no duty to investigate, defend or settle any claim, **suit** or other demand of any nature against any **insured** or any other person or organization.

Our obligations hereunder end when we have used up the applicable Limit of Insurance.

We have no other obligation or liability to reimburse sums or perform acts or services under this coverage.

Coverages*(continued)***Crisis Assistance
Expenses**

Subject to all the terms and conditions of this insurance, we will pay reasonable and necessary **crisis assistance expenses** incurred by the **insured** arising out of a **crisis event** that first commences during the policy period, provided that:

- such **crisis event** is first reported to us by the **insured** in writing during the policy period; and
- such **crisis assistance expenses** are directly related to the **crisis event**.

A **crisis event** will be deemed to first commence when a **key executive** first becomes aware of such **crisis event**.

A **crisis event** will be deemed to end at the earliest of the following times:

- one hundred and eighty (180) days after the notice of such **crisis event** was given to us; or
- when the Crisis Assistance Aggregate Limit shown in the Schedule has been used up.

All reports in connection with the same **crisis event** will be deemed to have been made at the time the first of those reports is made to us by any **insured** in writing.

Any payment of **crisis assistance expenses** that we make will not be an acknowledgement of coverage under this insurance.

We have no duty to investigate, defend or settle any claim, **suit** or other demand of any nature against any **insured** or any other person or organization.

Our obligations hereunder end when we have used up the applicable Limit of Insurance.

We have no other obligation or liability to pay expenses or perform acts or services under this coverage.

Under Limits of Insurance, the following provisions are added.

Limits Of Insurance**Product Withdrawal
Expenses Aggregate
Limit**

The Product Withdrawal Expenses Aggregate Limit shown in the Schedule below is the most we will reimburse for all **product withdrawal expenses** arising out of all **defects**.

Any such sum we reimburse will reduce the amount of the Product Withdrawal Expenses Aggregate Limit. The remaining amount of any such limit is the most that will be available for any other payment.

**Crisis Assistance
Expenses Aggregate
Limit**

The Crisis Assistance Expenses Aggregate Limit shown in the Schedule below is the most we will pay for the sum of all **crisis assistance expenses**.

Any such sum we pay will reduce the amount of the Crisis Assistance Expenses Aggregate Limit. The remaining amount of any such limit is the most that will be available for any other payment.

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Liability Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

With respect to the coverage titled Product Withdrawal Expenses, the following exclusions are added.

Exclusions

Banned Materials

This insurance does not apply to any **product withdrawal expenses** in connection with goods or products that have been distributed after any governmental organization has banned such goods or products (or any container, ingredient or part thereof) or declared them unsafe.

Deterioration

This insurance does not apply to any **product withdrawal expenses** in connection with:

- expiration of normal shelf life;
 - normal perishability; or
 - normal deterioration or decomposition;
- of goods or products.

Kindred Goods Or Products

This insurance does not apply to any **product withdrawal expenses** in connection with goods or products from any lot or batch for which it can be readily determined that none of such goods or products from that lot or batch have a **defect**, even if such **insured product** from another lot or batch of kindred goods or products have been determined to have **defects**.

Known Defects

This insurance does not apply to any **product withdrawal expenses** in connection with any **insured product** which has a **defect** if such **defect** was known, or should have been known, by any **insured** prior to the:

- effective date of this insurance; or
- delivery of such **insured product** by any **insured** or any person or organization acting on any **insured's** behalf.

Prior Goods Or Products Of Acquired Or Formed Organizations

This insurance does not apply to any **product withdrawal expenses** in connection with any goods or products manufactured, sold, handled or distributed by an organization any **insured** acquires or forms at any time, if such goods or products were manufactured, sold, handled or distributed before such **insured** acquired or formed such organization.

Waste Sites

This insurance does not apply to any **product withdrawal expenses** in connection with goods or products located at any premises, site or location which is or was at any time used for the handling, storage, disposal, processing or treatment of waste.

Exclusions*(continued)***Willful Violation Of Law**

This insurance does not apply to any product withdrawal expenses in connection with any willful violation of any statute, regulation, ordinance or other law, or any governmental directive or order.

With respect to the coverages titled Product Withdrawal Expenses and Crisis Assistance Expenses, the following conditions are added.

Conditions**Abandonment**

There can be no abandonment of property to us unless we specifically agree to such abandonment in writing.

Duties In The Event Of A Crisis Event

You must see to it that within forty-eight (48) hours of a **crisis event** that would be expected by the **insured**, or from the standpoint of a reasonable person in the circumstances of the **insured**, to result in damages to which this insurance would apply that we are notified of such event.

To the extent possible, notice should include:

- how, when and where the **crisis event** took place;
- the names and addresses of any injured persons and witnesses;
- the nature and location of any injury or damage arising out of the **crisis event**; and
- the reason why the **crisis event** is likely to involve injury or damage to which this insurance applies.

Any limitation in any condition with respect to voluntary payments does not apply to the coverage titled Crisis Assistance Expenses, unless such payment is one that requires our consent as specified in the definition titled **crisis assistance expenses**.

Duties In The Event Of A Defect

- A. The **insured** must give us immediate written notice upon discovery, or upon notification by a governmental organization, that an **insured product** has a **defect** which makes it necessary to regain control over any **covered products**.
- B. All **insureds** must immediately make every reasonable effort to stop any release, shipment, consignment or other distribution of any:
 1. **covered products** which are known or suspected to have a **defect**; and
 2. kindred goods or products until it is determined that those goods or products do not have **defects**.
- C. As often as we reasonably require, any **insured** must:
 1. permit us to inspect and make copies of records which support all **product withdrawal expenses** claimed;
 2. cooperate with us in the investigation or settlement of any claim; and
 3. permit us to examine any person under oath, outside the presence of any other person and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including any **insured's** books and records. In the event of an examination, answers of the person we examine must be signed.

CHUBB®

Liability Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Conditions

Duties In The Event Of A Defect
(continued)

- D. Within ninety (90) days after any **insured's** report of a **defect** to us, such **insured** must see to it that we are sent a sworn written statement containing the following information:
1. copy of any written notification from a governmental organization directing that control be regained over **covered products**;
 2. documentation that supports your decision to regain control over any goods or **covered products**;
 3. a complete description and proof of the **defect**, including its cause;
 4. a listing that identifies the applicable **covered products**, including batch or lot numbers, serial numbers and dates of manufacture; and
 5. an itemized estimate of the **product withdrawal expenses**.

Loss Determination

In making any loss determination under this insurance we will utilize relevant sources of information, including:

- financial records and accounting procedures; and
- bills, invoices and other vouchers.

The amount of loss will be determined based on:

- **product withdrawal expenses** which exceed normal operating expenses; and
- other necessary expenses which reduce **product withdrawal expenses** that otherwise would have been incurred.

We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use in connection with regaining control over **covered products**.

Loss Payment

We will reimburse the insured for covered **product withdrawal expenses** within thirty (30) days after we receive the sworn written statement, as described under the condition titled Duties In The Event Of Discovery Of A Defect, if all **insureds** have complied with all of the terms of this insurance, and we have reached an agreement on the amount of loss.

No Benefit To Others

This insurance is for the benefit of **insureds**. No other person or organization may benefit directly from it.

Conditions

(continued)

Other Insurance

If any **insured** has **other insurance** covering loss which is also covered by this insurance, we will only reimburse the **insured**, or will pay for the amount of loss, to which this insurance applies, in excess of the amount due from that **other insurance**, whether collectible or not. This provision does not apply to insurance negotiated specifically to apply in excess of this insurance.

Reduction Of Expenses

All **insureds** must take all reasonable steps to minimize **product withdrawal expenses** and **crisis assistance expenses**.

With respect to the coverage titled Product Withdrawal Expenses, under Definitions the following definitions are added.

Definitions

Covered Products

Covered product means any:

- **insured product**; or
- goods or products which incorporate an **insured product** as a container, part or ingredient and from which the **insured product** cannot practically be removed;

which are in the possession of a person or organization, other than an **insured**, at the time the **insured** discovers a **defect** to which this insurance applies.

Defect

Defect means an actual harmful condition which:

- is not intended by any **insured**;
- a reasonable person in the circumstances of the **insured** would not expect;
- arises out of the conduct of any **insured**, or person or organization acting on behalf of any **insured**; and
- causes, or presents a substantial likelihood of causing, **injury**.

Defect does not include any actual, alleged or threatened condition arising out of malicious:

- alteration; or
- contamination;

of goods or products.

Injury

Injury means:

- A. serious physical:
 1. injury;
 2. sickness; or

CHUBB®

Liability Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Definitions

Injury

(continued)

3. disease;
sustained by a person; or
 - B. substantial physical injury to tangible property.
- Injury** does not include physical injury to any:
- **insured product**; or
 - property owned by any **insured**.

Insured Product

Insured product means:

- A. goods or products (other than real property) manufactured, sold, handled or distributed by:
 1. any **insured**; or
 2. others trading under any **insured's** name; and
- B. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Other Insurance

Other insurance means a policy of insurance or any type of self-insurance or other mechanism by which an **insured** arranges for funding of loss.

Product Withdrawal Expenses

Product withdrawal expenses means that part of the following expenses which are devoted exclusively to regaining control over **covered products**:

- broadcast, electronic, printed, telecast and telephonic announcements, communications and notices;
 - transportation and storage of **covered products** or replacements thereof; or
 - destruction and disposal of **covered products**,
- including, but solely in connection with the foregoing:
- overtime remuneration, transportation and accommodation of the **insured's** regular **employees**; and
 - procurement, remuneration, transportation and accommodation of persons other than the **insured's** regular **employees**.

Definitions

Product Withdrawal Expenses (continued)

Product withdrawal expenses does not include any:

- cost or expense to correct any **defect**;
- cost or expense of inspecting, adjusting or repairing any **covered product** or any other property;
- cost or expense of removing any **insured product** from any **covered products** or from any other property;
- cost of the product, replacements thereof or of any other property;
- refund to any person or organization, including any cost or expense in connection with such refund; or
- cost or expense in connection with the realization, maintenance or recovery of market share, goodwill, reputation, revenue or profit.

With respect to the coverage titled Crisis Assistance Expenses, under Definitions the following definitions are added.

Definitions

Crisis Assistance Expenses

Crisis assistance expenses means the following expenses incurred by the **insured** during a **crisis event** to which this insurance applies which are directly attributable to a **crisis event**:

- expenses to secure the scene of a **crisis event**;
- fees charged by a **crisis assistance service provider** for professional service or advice;
- funeral or related service expenses;
- psychological or grief counseling expenses;
- temporary living expenses;
- travel expenses; and
- any other expenses approved by us.

Crisis Assistance Service Provider

Crisis assistance service provider means any crisis management firm or service provider with crisis management capabilities that is hired by you, provided such firm or service provider is not you or any of your **employees** or directors, managers, **officers**, partners or workers (whether or not any of the foregoing is an **employee**).

We do not provide or make any representations or warranties in connection with the services provided by firms hired by you.

Crisis Event

Crisis event means an event that you reasonably believe has resulted, or may result in:

- damages to which this insurance applies; and
- significant adverse regional or national media coverage.

CHUBB®

Liability Insurance

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Definitions

(continued)

Key Executive

Key executive means your:

- Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or such officer's equivalents;
- president;
- general counsel;
- director or manager (if you are a limited liability company);
- member (if you are a partnership, joint venture or limited liability company); or
- partner (if you are a partnership).

Schedule

Limits Of Insurance:

Product Withdrawal Expenses Aggregate Limit: \$50,000

Crisis Assistance Expenses Aggregate Limit: \$50,000

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

<i>Policy Period</i>	JULY 1, 2018 TO JULY 1, 2019
<i>Effective Date</i>	JULY 1, 2018
<i>Policy Number</i>	3711-55-64 PIT
<i>Insured</i>	RAMACO RESOURCES, INC.
<i>Name of Company</i>	FEDERAL INSURANCE COMPANY
<i>Date Issued</i>	JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Conditions, the provision titled Transfer Or Waiver Of Rights Of Recovery Against Others is deleted and replaced with the following:

Conditions

**Transfer Or Waiver Of
Rights Of Recovery
Against Others**

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

Any waiver of our right of recovery granted under this endorsement:

- applies only to payments we make for injury or damage arising out of your ongoing operations; and
- ends when the contract or agreement requiring such waiver ends.

Conditions

**Transfer Or Waiver Of
Rights Of Recovery
Against Others
(continued)**

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** to transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Definitions, the definition titled Insured Contract is deleted and replaced by the following.

Definitions

***Insured Contract,
Including Contracts
Pertaining To Lease,
Rental Or Purchase Of
Mobile Equipment***

Insured contract

A. means:

1. a lease of premises;
2. a sidetrack agreement;
3. an easement or license agreement;
4. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. an elevator maintenance agreement; or
6. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay damages for injury or damage, to which this insurance applies, sustained by a third person or organization.

Definitions

***Insured Contract,
Including Contracts
Pertaining To Lease,
Rental Or Purchase Of
Mobile Equipment
(continued)***

- B. does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for damages arising out of:
1. preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, designs or specifications; or
 2. giving directions or instructions, or failing to give them.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

***Non-Accumulation Of
Limits Of Insurance***

The following provision is added to this policy.

If this insurance contract is one of several insurance contracts issued by us or other member companies of the Chubb Group of Insurance Companies to you, or your subsidiary organizations, then any claim that could be covered under two or more contracts will be subject to the limits of insurance under the contract with the highest applicable limit of insurance or, if the limits are the same, under the limits of insurance of one contract.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverages under this contract.

**Exclusion
Endorsement**

**Employer's Liability,
Except For Written
Contract Or Agreement**

- A. With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of any injury or damage sustained at any time by any:
1. **employee or temporary worker** of any **insured** arising out of and in the course of:
 - a. employment by any **insured**; or
 - b. performing duties related to the conduct of any **insured's** business.
 2. spouse, child, parent, brother or sister of any person sustaining injury or damage (as described in subparagraph A.1.a. or A.1.b. above) as a consequence of any of the foregoing.
- B. This exclusion applies:
1. regardless of the capacity in which any **insured** may be liable;

**Exclusion
Endorsement**

***Employer's Liability,
Except For Written
Contract Or Agreement
(continued)***

2. to any **insured** against whom a claim or **suit** is brought, regardless of whether such claim or **suit** is brought by an **employee** or **temporary worker** of:
 - a. such **insured**; or
 - b. any other **insured**; and
 3. to any obligation to share any damages, loss, cost or expense with or to repay any person or organization who must pay any damages, loss, cost or expense because of any of the foregoing.
- C. This exclusion does not apply to liability for damages assumed by the **insured** in a written contract or agreement pertaining to your business in which you assume the tort liability of another to pay damages for **bodily injury**, to which this insurance applies.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Liability Insurance****Endorsement**

Policy Period	JULY 1, 2018 TO JULY 1, 2019
Effective Date	JULY 1, 2018
Policy Number	3711-55-64 PIT
Insured	RAMACO RESOURCES, INC.
Name of Company	FEDERAL INSURANCE COMPANY
Date Issued	JULY 17, 2018

This Endorsement applies to the following forms:

EMPLOYEE BENEFITS ERRORS OR OMISSIONS
GENERAL LIABILITY

A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions**Certified Act Of
Terrorism Exclusion**

This insurance does not apply to any loss, cost or expense arising, directly or indirectly, out of a **certified act of terrorism**.

**Application Of
Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

A new section titled Terrorism Definitions is added.

Terrorism Definitions**Certified Act Of Terrorism**

Certified act of terrorism means any act that is certified by the Secretary of the Treasury of the United States to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
- B. that results in damage:
 - 1. within the **United States**; or

Liability Endorsment
(continued)

2. outside of the **United States** in the case of:

- a. an air carrier or vessel as described in the **terrorism law**; or
- b. the premises of a mission of the United States of America,

which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
 - influence the policy or affect the conduct of the Government,
- of the **United States**.

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the **United States**; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 as amended.

United States

United States means:

- a state; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverage(s) under this contract.

***Exclusion
Endorsement***

***Professional Liability,
Total***

With respect to all coverage(s) under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of the rendering of or failure to render any professional service, advice or instruction whether or not such service, advice or instruction is ordinary to any **insured's** profession and regardless of whether or not a claim or suit is brought by any client or any other person or organization.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Liability Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY

Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

EMPLOYEE BENEFITS ERRORS OR OMISSIONS
GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverage(s) under this contract.

**Exclusion
Endorsement**

**Asbestos, Silica Or Similar
Compounds, Including
Mixed Dust**

- A. With respect to all coverage(s) under this contract, this insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of:
1. **asbestos;**
 2. **silica;** or
 3. **mixed dust.**
- B. With respect to all coverage(s) under this contract, this insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of any:
1. demand, order, request or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess; or
 2. claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing;

Liability Endorsement
(continued)

the effects of:

- **asbestos;**
- **silica; or**
- **mixed dust.**

The following Definitions are added to this policy and replace any similar definitions contained therein.

Definitions

Asbestos

Asbestos means asbestos in any form, including its presence or use in any alloy, by-product, compound or other material or waste.

Mixed Dust

Mixed dust means any combination or mixture of **asbestos** or **silica** and any other dust, fibers or particles, in any form, including any presence or use in any alloy, by-product, compound or other material or waste.

Silica

Silica means silica in any form (including silicates or other similar silicon compounds), including its presence or use in any alloy, by-product, compound or other material or waste.

Waste

Waste includes material to be recycled, reconditioned or reclaimed.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®**Liability Insurance****Endorsement**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY
 EMPLOYEE BENEFITS ERRORS OR OMISSIONS

The following section, titled Deductibles, is added to the forms described above and replaces any applicable deductible provisions contained therein.

Deductibles**Basis And Amounts Of Deductibles**

As used in this endorsement, words and phrases that appear in "quotation marks" have special meanings as described in the Deductible Definitions provision of this endorsement.

The provisions of this Deductible section apply to the Coverages as indicated in the Declarations and this endorsement. Each Deductible applies separately from and in addition to any other Deductible.

If the applicable Deductible is indicated to apply on the basis of:

- Each Claim, then the amount of the Deductible applies separately to the sum of amounts described in the provision titled Deductible Obligations, in connection with loss allocable to each separate person and organization that arises out of each separate "event."
- Each "Event," then the amount of the Deductible applies separately to the sum of amounts described in the provision titled Deductible Obligations, in connection with loss that arises out of each separate "event."

Deductible amounts:

- A. starting with the beginning of the policy period shown in the Declarations, apply separately to each consecutive annual period and to any remaining period and to any extension period.

Liability Endorsement

(continued)

- B. will not be less than the amounts as indicated in the Declarations and this endorsement, regardless of whether this insurance (or this endorsement) is:
1. issued for a policy period of less than twelve (12) months; or
 2. terminated before the end of the policy period shown in the Declarations for any reason.

Deductible Obligations (Excess And Reimbursement)

This insurance applies to amounts in excess of Deductibles, and ultimately you are obligated for amounts within Deductibles, regardless of whether we pay or incur amounts within Deductibles.

Deductibles apply to the amounts first paid or incurred for "damages/loss" and "deductible expenses" (to which this insurance would apply but for the Deductible) as such amounts are first paid or incurred.

If we pay or incur any "damages/loss" or "deductible expenses" within any Deductible, then you must promptly reimburse us for all such "damages/loss" and "deductible expenses." Regardless of whether we pay any "damages/loss," you must promptly reimburse us for all "deductible expenses" within any Deductible.

There is no aggregate limit applicable to your Deductible Obligations, and you must promptly pay or reimburse all amounts described in this provision regardless of the number of losses.

The first named insured shown in the Declarations agrees, and is authorized, to promptly reimburse us for any and all reimbursable amounts (relative to this insurance or any other insurance issued by us or an affiliate of ours including any antecedent insurance). Each named insured is jointly and severally liable for any and all such amounts.

Failure to promptly reimburse us (relative to this insurance or any other insurance issued by us or an affiliate of ours including any antecedent insurance) shall be deemed an event of nonpayment of premium.

Investigation, Defense, Settlements And Rights Of Recovery

Regardless of the application of any Deductible:

- A. the terms and conditions of this insurance continue to apply, including those with respect to:
 1. our rights to investigate any claim or "event" and to make any settlements; and
 2. the insured's duties in the event of any claim, "event" or suit.
- B. we may, at our discretion, initiate or participate in an appeal of a judgment, if such judgment may result in a payment under this insurance.
- C. our rights of recovery against others continue to apply. Any amount recovered will be apportioned as follows:
 1. first, we shall receive all amounts recovered until we have been fully reimbursed for all amounts we have paid or incurred (including costs or expenses of such recovery proceedings) in connection with amounts that exceed any Deductible.

CHUBB

Liability Insurance

Endorsement

Effective Date JULY 1, 2018

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-
2. then, remaining amounts recovered will be applied to reimburse you and us, in accordance with the respective interests in connection with amounts within any Deductible (including costs or expenses of such recovery proceedings).
-

The following provision is added to Limits Of Insurance.

Limits Of Insurance

Each Claim Or "Event"

If the applicable Limit of Insurance applies on an each claim or each "event" basis, then such limit (other than an aggregate limit) will be reduced by "damages/loss" paid or incurred within the Deductible.

If expenses are described as reducing the Limits Of Insurance of the applicable Coverage, then such expenses within the Deductible will reduce such Limits Of Insurance.

The Limits Of Insurance will not be increased or reinstated regardless of the applicability of any Deductible or any amount that you must pay or reimburse in connection with any Deductible.

As used in this endorsement, the following words and phrases have special meanings as described below.

Deductible Definitions

"Damages/Loss"

"Damages/loss" refers to damages or other indemnity as described under the applicable Coverage, other than "deductible expenses." Deductibles applying to bodily injury include damages and any medical expenses.

Liability Endorsement
(continued)

"Deductible Expenses"

"Deductible expenses" refers to the following expenses as described under the applicable insurance:

- A. attorney and paralegal fees and salaries (including those of attorneys and paralegals who are our employees).
- B. expenses relating to a suit, including the cost of expert witnesses, transcripts, court reporters, research reports and depositions.
- C. the cost of:
 - 1. bail bonds; or
 - 2. bonds required to:
 - a. appeal judgments (in connection with the initiation and continuation of an appeal agreed to by us); or
 - b. release attachments.
- D. costs taxed against the insured in a suit.
- E. the cost and expense of any investigation that we undertake.
- F. other reasonable expenses that we allocate to a specific claim or "event."

"Event"

"Event" refers to an occurrence, offense, wrongful act or other cause of loss as described under the applicable Coverage.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

***Exclusion
Endorsement***

***Loss Of Use Of
Electronic Data***

Under Exclusions, the following exclusion is added. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverages under this contract.

With respect to all coverages under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of any:

- corruption of;
- inability to access;
- inability to manipulate;
- loss of; or
- other injury or damage to or loss of use of;

any software, data or other information that is in electronic form.

This exclusion does not apply to:

- **bodily injury**; or
- physical injury to tangible property, including resulting loss of use of that property.

Liability Endorsement
(continued)

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
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Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

The following exclusion is added to this policy and replaces any similar exclusion contained therein. The use of the words damages, loss, cost or expense in any exclusion does not expand any coverages under this contract.

***Exclusion
Endorsement***

***Alcoholic Beverage
Type Businesses***

This insurance does not apply to any damages, loss, cost or expense for any **bodily injury** or **property damage** for which any person or organization may be held liable by reason of any:

- A. causing or contributing to the intoxication of any person.
- B. furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol.
- C. ordinance, regulation or statute relating to the distribution, gift, sale or use of alcoholic beverages.
- D. providing or failing to provide transportation with respect to any person that may be under the influence of alcohol in connection with any circumstances described in subparagraphs A., B. or C. above.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

For the purposes of this exclusion, consumption of alcoholic beverages brought on your premises (whether or not a fee is charged or a license is required for such activity) will not be deemed, in itself, to constitute the business of furnishing, selling or serving alcoholic beverages.

Liability Endorsement
(continued)

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

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Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
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Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Policy Exclusions, the following exclusion is added:

Policy Exclusions

Radioactive Material

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **radioactive material**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any **radioactive material**; or
 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of any **radioactive material**.

This exclusion does not apply to **radioactive material** while used in a well measuring tool or device.

Under Definitions, the following is added:

Defnitions

Radioactive Material

Radioactive material means any solid, liquid or gaseous substance which emits radiation.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

EMPLOYEE BENEFITS ERRORS OR OMISSIONS

Under Limits Of Insurance, the provisions titled Aggregate Limit and Each Claim Limit are deleted and replaced by the following:

Limits Of Insurance

Aggregate Limit

Subject to the Each Claim Limit, the Aggregate Limit is the most we will pay for the sum of damages for all **claims**.

Each Claim Limit

The Each Claim Limit is the most we will pay for all damages for each **claim**, in excess of the deductible stated in the Declarations.

Any amount paid for damages for each **claim** will reduce the amount of Aggregate Limit available for payment of damages for any other **claim**.

If the Aggregate Limit has been reduced by payment of damages for **claims** to an amount that is less than the Each Claim Limit, the remaining Aggregate Limit is the most that will be available for payment of damages for any other **claim**.

**Investigation,
Defense
And Payment Of
Damages**

Under Investigation, Defense And Payment Of Damages, the provisions are deleted and replaced by the following:

We will have the right and duty to defend any **insured** against a **suit** seeking damages for any **claim** arising out of a negligent act, error, or omission. However, we will have no duty to defend any **insured** against a **suit** seeking damages to which this insurance does not apply. We may at our discretion investigate any negligent act, error, or omission and settle any **claim** or **suit** that may result.

The amount we will pay for damages is limited as described in Limits Of Insurance. Our right and duty to defend end when we have used up the applicable Limit Of Insurance in the payment of judgments or settlements.

We have no further obligation or liability to pay sums or perform acts or services unless explicitly provided for under Supplementary Payments shown below.

**Supplementary
Payments**

Under Supplementary Payments, the provisions of the second paragraph are deleted and replaced by the following:

These payments will not reduce the Limits Of Insurance.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added:

Who Is An Insured

Designated Persons Or Organizations

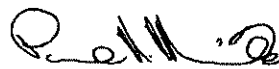
Any person or organization designated below is an **insured**; but they are **insureds** only with respect to their liability arising out of your acts or failure to act.

Designated Insured

THE WHO IS AN INSURED PROVISION IS AMENDED TO INCLUDE ANY PERSON OR ORGANIZATION YOU ARE REQUIRED BY WRITTEN CONTRACT TO INCLUDE AS AN INSURED. INSURANCE SHALL BE LIMITED TO THE EXTENT OF COVERAGE AND LIMITS OF LIABILITY REQUIRED BY THE WRITTEN CONTRACT. THE WRITTEN CONTRACT MUST BE EXECUTED PRIOR TO THE OCCURRENCE OF ANY LOSS. THE EXTENT OF COVERAGE AND THE LIMITS OF LIABILITY OF SUCH CONTRACT SHALL NOT INCREASE THE LIMITS OF INSURANCE OR THE EXTENT OF COVERAGE IN THIS POLICY.

All other terms and conditions remain unchanged.

Authorized Representative



CHUBB®

Liability Insurance

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

GENERAL LIABILITY
EMPLOYEE BENEFITS ERRORS OR OMISSIONS

Conditions

Under Conditions, the following provision is added to the condition titled Other Insurance.

***Other Insurance -
Primary, Noncontributory
Insurance - Scheduled
Person Or Organization***

If you are obligated, pursuant to a written contract or agreement, to provide the person or organization described in the Schedule (that is also included in the Who Is An Insured section of this contract) with primary insurance such as is afforded by this policy, then this insurance is primary and we will not seek contribution from insurance available to such person or organization.

Schedule

Persons or organizations described in the Who Is An Insured section of this contract and that you are obligated, pursuant to a written contract or agreement, to provide with primary insurance as is afforded by this policy, but only to the minimum extent required by such contract or agreement.

All other terms and conditions remain unchanged.

Authorized Representative



COMMON

POLICY

CONDITIONS

Common Policy Conditions Section

CHUBB®**Policy Conditions****Schedule of Forms**

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

The following is a schedule of forms issued as of the date shown above:

Form Number	Edition Date	Form Name	Effective Date	Date Issued
80-02-9779	3-11	NOTICE OF CANCEL SCHED PERSONS/ORG EXCPT NP	07/01/18	07/17/18
80-02-9001	6-98	HOW TO REPORT A LOSS	07/01/18	07/17/18
80-02-9090	6-05	COMMON POLICY CONDITIONS	07/01/18	07/17/18
80-02-9301	2-98	NAMED INSURED	07/01/18	07/17/18
80-02-9771	8-05	WV MAND CANCELLATION & WHEN WE DO NOT RENEW	07/01/18	07/17/18
80-02-9790	3-12	COND - CIVIL UNIONS OR DOMESTIC PARTNERSHIPS	07/01/18	07/17/18
80-02-9800	12-08	INSURING AGREEMENT	07/01/18	07/17/18
99-10-0732	1-15	NOTICE TO POLICYHOLDERS-TRIPRA	07/01/18	07/17/18
99-10-0792	9-04	IMPORTANT NOTICE - OFAC	07/01/18	07/17/18
99-10-0872	6-07	AOD POLICYHOLDER NOTICE	07/01/18	07/17/18

last page



Common Policy Conditions

Contract

Conditions

The following Conditions are included under each part of the policy, unless stated otherwise.

Audit Of Books And Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

Cancellation

The first named insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

We may cancel this policy or any of its individual coverages at any time by sending to the first named insured a notice 60 days (20 days in the event of non-payment of premium) in advance of the cancellation date. Our notice of cancellation will be mailed to the first named insured's last known address, and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Changes

This policy can only be changed by a written endorsement that becomes part of this policy. The endorsement must be signed by one of our authorized representatives.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions of the policy.

Compliance With Applicable Trade Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Conformance

Any terms of this insurance which are in conflict with the applicable statutes of the State in which this policy is issued are amended to conform to such statutes.

First Named Insured

The person or organization first named in the Declarations is primarily responsible for payment of all premiums. The first named insured will act on behalf of all other named insureds for the giving and receiving of notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this policy.

Inspections And Surveys

We may:

- make inspections and surveys at any time;
- give you reports on the conditions we find; and
- recommend changes.

Conditions**Inspections And Surveys
(continued)**

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations for us.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

**Transfer Of Rights And
Duties**

Your rights and duties under this insurance may not be transferred without our written consent. However, if you die, then your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative, or to anyone having temporary custody of your property until your legal representative has been appointed.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first named insured's last known address, written notice of the nonrenewal not less than 60 days before the expiration date. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

COMMON

POLICY

Common Policy Conditions Section

Endorsements

ENDORSEMENTS

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Policy Conditions

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following changes are made as respects exposures in the state of West Virginia.

Under Conditions, the provisions titled Cancellation and When We Do Not Renew are deleted and replaced by the following:

Conditions

Cancellation

The first named insured shown in the Declarations may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

A. Cancellation of New Policies in Effect for fewer than 60 days

If this policy has been in effect for fewer than 60 days and is not a renewal, we may cancel this policy for any reason.

We will mail or deliver written notice of cancellation to the first named insured at least:

- 20 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- 60 days before the effective date of cancellation if we cancel for any other reason.

Conditions**Cancellation
(continued)****B. Cancellation of Renewal Policies and New Policies in Effect for 60 days or more**

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

1. nonpayment of premium;
2. conviction of the insured of any crime having as one of its necessary elements an act increasing any hazard insured against;
3. discovery of fraud or material misrepresentation made by or with the knowledge of the insured in obtaining the policy, continuing the policy or in presenting a claim under the policy;
4. discovery of willful or reckless acts or omissions on the part of the insured which increase any hazard insured against;
5. the occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
6. violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
7. determination by the commissioner that the continuation of the policy would place the insurer in violation of the insurance laws of West Virginia;
8. real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued;
9. the insurer which issues this policy of insurance ceases writing the particular type or line of insurance coverage contained in this policy throughout the state or should such insurer discontinue operations within the state; or
10. substantial breach of the provisions of the policy.

We will mail or deliver written notice of cancellation to the first named insured at least:

- 20 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- 60 days before the effective date of cancellation if we cancel for a reason described in 1. through 10.

Our notice of cancellation will be mailed to the first named insured's last known address and will indicate the date on which coverage is terminated. If notice is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro-rata basis. Any unearned premium will be returned as soon as practicable.

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Policy Conditions

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Conditions
(continued)

When We Do Not Renew If we decide not to renew this policy, we will mail or deliver to the first named insured stated in the Declarations written notice of nonrenewal stating specific reason for nonrenewal at least 30 days before the expiration date.

Our notice of nonrenewal will be mailed or delivered to the first named insured's last known address. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

All other terms and conditions remain unchanged.

Authorized Representative



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Policy Conditions

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.
Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Under Conditions, the following condition is added.

Conditions

Civil Unions Or Domestic Partnerships

All references in the policy to "spouse" include a party to a civil union or domestic partnership recognized under the applicable law of the jurisdiction having authority.

All other terms and conditions remain unchanged.

Authorized Representative



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Policy Conditions

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

Conditions

Under Conditions, the following condition is added.

**Notice Of Cancellation
To Scheduled Persons
Or Organizations When
We Cancel**

When we cancel this policy for any reason, other than non-payment of premium, we will notify person(s) or organization(s) shown in the Schedule at least 30 days in advance of the cancellation date.

Any failure by us to notify such person(s) or organization(s) will not:

- impose any liability or obligation of any kind upon us; or
- invalidate such cancellation.

Schedule

Person(s) or Organization(s): ADDINGTON, INC.
C/O BRINKS, INC.

Address: 1801 BARBERRY COURT
RICHMOND, VA 23226

Person(s) or Organization(s): WPP, LLC C/O CERTFOCUS

Address: PO BOX 1405258
KANSAS CITY, MO 64114-3247

Conditions
(continued)

Person(s) or Organization(s): THE BRUCE MCDONALD LAND COMPANY

Address: 414 DINGESS STREET
LOGAN, WV 25601

Person(s) or Organization(s): TRIDELPHIA LAND COMPANY

Address: 414 DINGESS STREET
LOGAN, WV 25601

Person(s) or Organization(s): EQT PRODUCTION COMPANY, ITS PARENT COMPANIES,
SUBSIDIARIES, RELATED COMPANIES AND THEIR
AFFILIATES

Address: 625 LIBERTY AVENUE
PITTSBURGH, PA 15222

Person(s) or Organization(s): COMMONWEALTH OF VIRGINIA, DEPT OF MINE, MINERALS
AND ENERGY; DIVISION OF MINED LAND RECLAMATION

Address: P.O. DRAWER 900
BIG STONE GAP, VA 24219

Person(s) or Organization(s): EQT PRODUCTION COMPANY

Address: ATTN: CONLEY SMITH
REGIONAL LAND DIRECT
P O BOX 3878
PIKEVILLE, KY 41502

Person(s) or Organization(s): EQT PRODUCTION COMPANY

Address: ATTN: LEGAL DEPARTMENT
1710 PENNSYLVANIA AVE
CHARLESTON, WV 25302

Person(s) or Organization(s): DEPARTMENT OF ENVIRONMENTAL PROTECTION BUREAU
OF MINING
PROGRAMS ATTN: COMPLIANCE SECTION

Address: PO BOX
HARRISBURG, PA 17105-8461

Person(s) or Organization(s): NORFOLK SOUTHERN RAILWAY COMPANY

Address: THREE COMMERCIAL PLACE
NORFOLK, VA 25310-2191

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Policy Conditions

Endorsement

Effective Date JULY 1, 2018

Policy Number 3711-55-64 PIT

Person(s) or Organization(s): RAMACO COAL, LLC

Address: 250 WEST MAIN STREET, SUITE 18
LEXINGTON, KY 40507

All other terms and conditions remain unchanged.

Authorized Representative



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Policy Conditions

Endorsement

Policy Period JULY 1, 2018 TO JULY 1, 2019
Effective Date JULY 1, 2018
Policy Number 3711-55-64 PIT
Insured RAMACO RESOURCES, INC.

Name of Company FEDERAL INSURANCE COMPANY
Date Issued JULY 17, 2018

This Endorsement applies to the following forms:

PROPERTY DECLARATIONS
LIABILITY DECLARATIONS

The Named Insured is amended to include the following:

Named Insured

RAMACO RESOURCES, INC.
RAM MINING, LLC
RAMACO RESOURCES LAND HOLDINGS, LLC
RAMACO RESOURCES, LLC
RAMACO DEVELOPMENT, LLC
RAMACO COAL, INC.
RAMACO COAL SALES, LLC

All other terms and conditions remain unchanged.

Authorized Representative

